

THE TIMES 1785-1985 Tomorrow

Vintage investment
How to lay down
your own
wine cellar

Pilgrim's progress
A visitor's guide
to the ancient
city of Canterbury

Bavarian chic
In Munich, but
not just
for the beer

Cricket choice
John Woodcock on the
team for England's
West Indian tour

Portfolio

The Times Portfolio
competition prize of £4,000 (double
the usual amount because no-one
won on Wednesday) was won
yesterday by Mrs Caroline
Angela of Redford, Sussex.
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play, information service, back
page.

Tomorrow, £22,000 can be won
- £20,000 in the weekly
competition and £2,000 in the
daily.

UK lags in defence deal stakes

Mr Casper Weinberger, the US
Defence Secretary, said no
decision had been made on
whether Britain or France
would win the £3 billion
battlefield communication system
contract, but he hinted that
France was still favourite.

France orders spy shake-up

President Mitterrand, reacting
to new charges this week about
French involvement in the
sinking of the Rainbow Warrior,
has decided that "the time
has come to proceed immediately
with a change in personnel"
in the secret service.

Whites to hang

Two young white South Africans
who raped a black girl and
burned her alive in the boot of
her boyfriend's car were
sentenced to be hanged. **Page 7**

Trust's chairman

Dame Jennifer Jenkins, the wife
of Mr Roy Jenkins, is to
succeed Lord Gibson as chair-
man of the National Trust. She
is chairman of the Historic
Buildings Advisory Committee.

Teachers go on

Members of the National Union
of Teachers have endorsed
some all-out strikes and a work
to rule in pursuit of their pay
campaign. **Page 2**

BPCC rise

Mr Robert Maxwell, chairman
of British Printing and
Communication Corporation, has
announced half-year profits for
BPCC of £11.4 million, an
increase of 14.1 per cent. **Page 21**

Money growth

The money supply (sterling M3)
is still growing faster than the
target rate set by the Govern-
ment. **Page 21**

Test triumph

Sri Lanka won their first cricket
Test series by drawing their
third and final match against
India in Kandy. **Page 27**

SPECIAL REPORT

Air Freight is making an
increasing contribution to the
financial well-being of the world
airline industry, particularly on
the key North Atlantic routes.
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Barker, and Mr J. Constable.
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Tax on investments abroad to finance Labour loan agency

By Philip Webster, Political Reporter

Investment institutions such as pension funds, life insurance companies, unit trusts and charities will lose their tax privileges under the next Labour government unless they bring back to Britain most of their capital invested abroad.

The Labour Party yesterday published its plans to return about £20 billion of the money, invested abroad over the last six years, by withdrawing tax concessions from companies and individuals with more than a given percentage of their capital, probably 5 per cent, overseas.

The money would go into a national investment bank, which would direct investment in Britain and play the central role in Labour's proposals to regenerate industry.

Pension fund money and other repatriated capital invested in the bank would have absolute security, underwritten by the Bank of England and guaranteed a rate of interest at the present market rate.

The new bank would be required to make loans and place investment according to commercial criteria, under the proposals unveiled by Mr Roy Hattersley, the Shadow Chancellor.

It companies wish to continue investing abroad they could do so but would forgo their tax privileges. For occupational pension funds this would mean that employees and employers would lose tax relief.

Although the scheme would in theory be voluntary, Mr Hattersley said that his judgement was that virtually all of the capital would be repatriated.

The document, *Investing in*

Britain, says: "We believe that the proper place for British savings is British investment... Freedom of choice will remain. But those who choose to invest abroad against Britain's interests will not receive tax concessions."

Mr Hattersley denied an allegation by Mr Norman Tebbit, chairman of the Conservative Party, that the value of pension investments would fall and that people would therefore receive smaller pensions.

He said the actuarial evidence demonstrated that yield from British investment was as high as the foreign return. "The

ment the value of the pound was halved."

"That's Labour's new deal for savers and pensioners. How much would the capital they would be forced to put into Mr Hattersley's bank be worth after a similar round of inflation?" he said.

The Labour document says that "individuals who invest excessively in foreign assets, be they property, bank deposits or securities, will equally lose some of their tax exemptions."

But Mr Hattersley said that it would not apply to families of individuals buying holiday homes, because at present they received no tax concessions which could be removed.

Companies or individuals who had a number of holiday homes and ran them as a business would be affected.

The main objective of the bank, according to the document, will be to act as a credit institution to provide long-term finance for British industry.

Mr Hattersley said that it would be built round an existing institution, and disclosed that he favoured investors in industry, the long-term investment institution 15 per cent owned by the Bank of England, in which other clearing banks have a stake.

It is understood that Labour leaders will soon be having talks with the organization, based in Waterloo, south London.

Mr Hattersley said that in the last six years unemployment in Britain had risen by more than two million, but over the same period more than £30 billion of British money had been invested overseas, creating foreign jobs in the factories of competitors.

David Steel page 14

Fund managers voice concern

City institutions reacted with concern to Mr Hattersley's proposals, which they see as a threat to their freedom to manage investments in the benefit of investors. There was also widespread scepticism about the need for a National Investment Bank.

"There is plenty of money available in the City for long-term investment. In fact there is too much money. If the return is adequate the money is there," according to Mr George Dennis, investment director of Postel, the pension fund for British Telecom and Post Office employees.

Even those in the investment community who felt a new type of long-term credit institution

was worth considering were opposed to the way in which a Labour government planned to remove tax privileges, mainly by imposing a 5 per cent overseas investment limit.

Mr Dennis, chairman of the Association of Pension Funds, said the proposals would be "a major interference in the process of allocating capital to appropriate projects."

Overseas assets of insurance companies and pension funds totalled £37.6 billion in 1978, and rose to £41.2 billion in 1979, £47.5 billion in 1980, £10.975 billion in 1981, £17.939 billion in 1982, and £26.751 billion in 1983, according to *British Business*.

Reselection rule change for Steel

From Anthony Bevins
Political Correspondent
Dundee

The Liberal establishment was thrown into confusion in Dundee after a handful of delegates carried a Young Liberal proposal for the compulsory reselection of the party leader once in every Parliament.

The constitutional change went through on a two-thirds majority early yesterday when about 100 of the 1,400 delegates were in the hall.

Under the amendment, a leader would face a one member, one vote reselection ballot within three years of a general election, provided that five (or four in the present Parliament) Commons colleagues nominated a challenger.

The immediate reaction of Mr David Steel, the party leader, was to welcome the change as an extension of democracy.

Mr Alan Watson, party president, said, mistakenly, that a leadership contest could be forced only, as now, with the support of 50 constituency associations from at least eight regional parties.

But in the debate the change had been opposed by Mr Andrew Ellis, the party's new secretary general, speaking for the national executive, who said a leadership contest while the Liberals held the balance of power in a hung parliament might be difficult.

The party's consternation was compounded by a press conference at which Mr Watson conceded: "There does appear to be the need for some clarification."

He said: "The political fact is that the position and standing of the leader of the party who has succeeded in taking us from being a minority party in the wilderness to being a party of government - such a man is hardly likely to be challenged."

It was suggested the rule might be changed next year, if only to increase the number of MPs required to nominate a challenger.

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David Steel page 14

NUR agrees deal on driver-only trains

By David Felton, Labour Correspondent

The dispute over the introduction of one-man trains was resolved last night after the National Union of Railwaymen agreed a deal to take guards off some passenger and freight trains.

Union leaders also indicated to British Rail management that they would be prepared to discuss future productivity deals through existing negotiating machinery.

In return, BR agreed to reinstate 251 guards dismissed last month for taking unofficial industrial action. Last night's deal, which came after five days of talks, marks an important step in BR's attempts to break the log jam on key productivity improvements which it has been trying to introduce for more than five years.

The NUR had little option but to sign an agreement after last month's rejection in a ballot by the 11,000 guards of the union's call for industrial action.

About 1,760 guards jobs will disappear over the next five years, but BR has guaranteed that no guards will be made compulsorily redundant.

The 251 dismissed guards from South Wales, Glasgow and

Immingham on Humberline are likely to resume work on Monday five weeks after they were sent home for refusing to cooperate with experimental running of driver-only trains.

BR will press ahead with introducing of driver-only trains on commuter services in the Strathclyde region of Scotland and on the Great Northern suburban line from Kings Cross to north Hertfordshire. About 60 per cent of freight services are scheduled to operate without guards.

A delegate conference last Thursday cleared the way for the deal when it reversed the union's opposition to the extension of driver-only operations with the management.

Those talks started on Tuesday and were concluded yesterday afternoon. The deal was quickly accepted by the executive of the train drivers' union ASLEF, followed by the NUR.

Displaced guards will be offered other work some will be kept on passenger trains carrying out "revenue protection" duties, checking tickets and collecting fares. British Rail said the agreement will lead annual savings of £27 million at the end of a five year introduction period.

Police hunting girl, 7, fear double killing

By Richard Dowden

Police last night widened their search for Tina Beechcock, aged seven, the missing London schoolgirl, amid growing fears that her abductor may be a double killer.

The body of her friend, Stacey Kavanagh, aged four, was found early yesterday in a park in Rotherhithe, south-east London, not far from where the two girls disappeared while waiting for Tina's mother outside a shop on Wednesday evening. She had been strangled but there was no evidence of sexual assault.

Police are not ruling out a link between these incidents and the disappearance of Barry

was abducted from a caravan at Great Yarmouth last Friday.

The Suffolk police have also contacted Essex police to investigate a possible connection between the murder of Leoni Keating and the abduction three years ago of Pauline Coo, an Essex schoolgirl.

Detective Chief Superintendent Roy Gregg, of Scotland Yard, said last night that he had been in touch with Detective Chief Superintendent Eric Shields, of Suffolk CID, and they had agreed to keep in touch although there was no evidence to support a link at this stage.

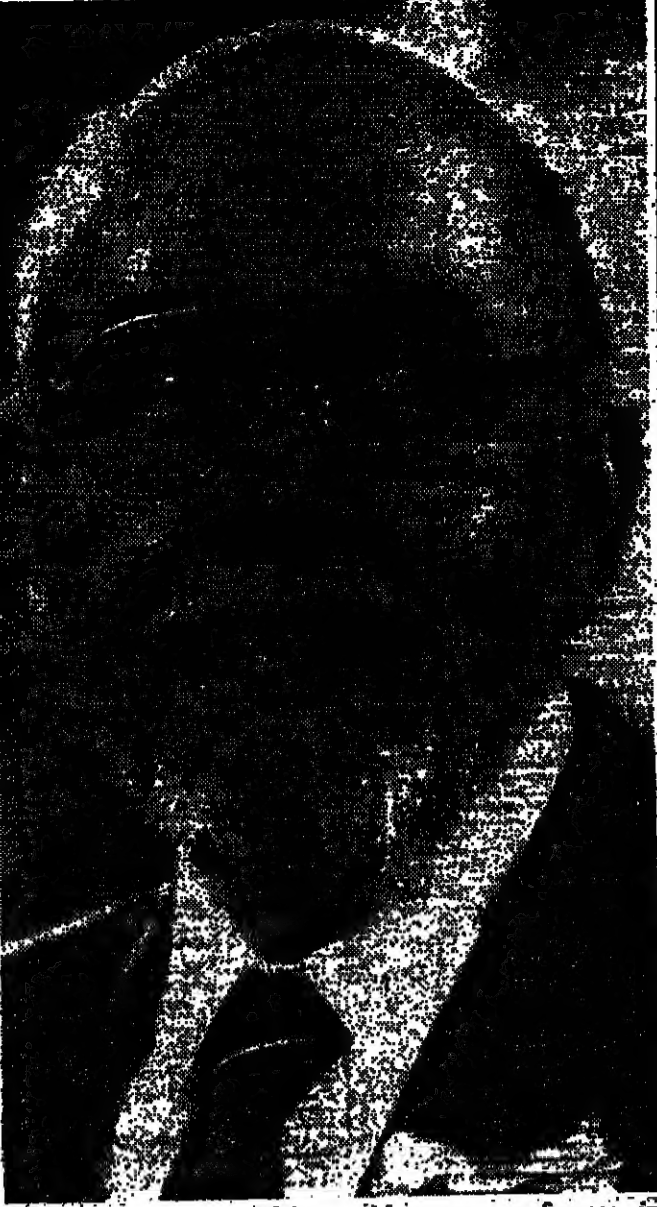
More than 150 police searched the Rotherhithe area

yesterday looking for Tina Beechcock. Mrs Mirella Beechcock, Tina's mother, found one of her red shoes in the road near the shop where she last saw them but police have not found any other trace of her.

Mr Gregg said that the response from neighbours had been very good but he found it strange that no one had seen the two girls after they left the shop. "It could have been someone who was known to the children," he said.

"Every minute that passes makes me even more anxious about Tina. I must be drawn to the conclusion that some harm has come to her."

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The Rev Benjamin Weir at his press conference in Washington

Missionary fears for lives of hostages

From Christopher Thomas
Washington

An American missionary freed after being held captive for 16 months by Lebanese extremists fears that six fellow-Americans still held hostage may soon be executed.

The Rev Benjamin Weir, a Presbyterian missionary, was released yesterday after 16 months of captivity. He was one of 17 American hostages released in Kuwait. "They have released me a sign of their good intentions. However, they are not prepared to wait much longer," he said. A British freelance writer, Alec Collett, is among five other foreigners also being held by an Islamic Jihad gang.

Mr Weir said he had seen four of the six American captives the day he was released at the weekend. "He knew nothing about the well-being of Mr William Buckley, a US diplomat, or Mr Peter Kilburn, an American university librarian."

A window of opportunity now existed to negotiate the release of all six men, he said. "I fear that opportunity will not last long." The captors had warned that if there was not a positive response they were prepared to kidnap other Americans.

Mr Weir, aged 61, a Presbyterian missionary who speaks fluent Arabic, looked fit and relaxed, and wore a yellow ribbon, the American symbol of welcome. He relayed a message from the extremists by telephone to President Reagan on Wednesday. Mr Weir said he believed his captors' warnings should be taken seriously.

Mr Weir told a press conference at the National Presbyterian Centre in Washington that his aim was four-fold: To announce his release personally to convey a message from his captors; to focus concern for the immediate release of the remaining hostages; and to support Reagan on executive action by the US government for the release of the other hostages.

The 17 prisoners in Kuwait were convicted of bombing the US and French Embassies in December 1983. Five people were killed and 57 wounded. Three of the bombers have been sentenced to death by hanging, seven to life imprisonment, four to 15 years, one to ten years and two to five years.

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MacGregor to cut coal capacity by 10%

By Donald Macintyre
Labour Editor

Mr Ian MacGregor, chairman of the National Coal Board said publicly for the first time that deep mined capacity is to be reduced to 30 million tonnes, a 10 per cent reduction on present levels.

The new target figure, substantially lower than the planned 37.4 million tonnes figure which marked off the year-long strike, would mean a gross reduction of some 30 million tonnes of old, loss-making capacity. This would be offset by 20 million tonnes of new low cost pit capacity under construction.

The reduction, which the board is likely to aim at completing over a two-year period will fuel fears among union leaders that the board's plans to close up to 50 pits within 18 months of the strike's end.

In a blunt interview in *International Coal Report*, Mr MacGregor says: "Over the next two years we have to show an effective improvement, otherwise we will be in very real trouble."

The journal believes Mr MacGregor plans the capacity cut to be completed by the time government subsidies run out in March 1987.

This date would coincide with a serious fall in coal demand expected by some experts because the current programme of rebuilding coal stocks by the Central Electricity Generating Board would be at an end, and the last of the advanced gas-cooled reactors would be in operation.

The interview provides a sombre prelude to next week's meeting with the mining unions of the coal industry consultative committee at which Mr MacGregor is expected to sketch corporate strategy at least until September 1986 when his term of office ends.

Mr MacGregor says: "Our problem is about two years out. We are a bit like one of those airplanes on an aircraft carrier. Two years out and we have got to be flying, or we will otherwise be in the drink. That is the point our employees do not understand; they are living on borrowed time."

"He makes it clear that he does not believe that coal demand will be high enough even to justify capacity of 30 million tonnes."

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Mexican quake shatters capital

Guatemala City (Reuter)

The Mexican Government declared Mexico City a disaster area after a big earthquake yesterday killed at least 150 people and shattered scores of buildings. Mexico television, monitored in Guatemala, said. Hundreds of residents in the capital were trapped in rubble from collapsed hotels, schools and blocks of flats.

It showed live footage of firemen and rescue workers sifting for bodies through the ruins.

Domestic communications were cut and no details of damage on the west coast, closest to the quake's epicentre, were available.

Firemen across the city of 13 million people could be seen on television fighting to put out blazes started by the quake, which the US Geological Survey (USGS) in Golden, Colorado, said registered 7.3 on the Richter scale.

The earthquake was the world's strongest since one that killed at least 177 in Chile in March.

Yesterday's early morning earthquake was centred about 250 miles south of Mexico City and the USGS said it was felt as far away as southern Texas.

The quake in Chile, of the same magnitude, hit the coast of central Chile on March 3. More than 2,500 people were injured and there was extensive damage, the USGS said.

The Mexican Defence Ministry said troops had been deployed to prevent looting and residents in the capital were asked to stay indoors.

There were unconfirmed reports that several large hotels in central Mexico City had been badly damaged.

The main communications tower in the capital was on fire.

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Mercury victory in BT dispute

By Ian Griffiths

British Telecommunications has suffered a crushing defeat in its battle with Mercury Communications. Its main rival, over the connection of their networks.

The draft findings of a report by the Office for Telecommunications are understood to have come down heavily in favour of Mercury.

The dispute, over the level of access which Mercury, a subsidiary of Cable and Wireless, should have to the BT network and the price which it should pay, has been rumbling on for months in boardrooms and courtrooms.

Professor Bryan Carsberg, director-general of OfTel, was called in to settle the dispute earlier this year. His formal determination will be delivered early next month, but the draft conclusions were sent to the companies this week to allow them time to comment.

However, those comments are unlikely to change the general thrust of the findings and, if BT wants to reverse the decision, it is likely to have to take Professor Carsberg to court. He is not therefore going to amplify or comment on this formal announcement when this is made in case this prejudices any later legal action against him.

The company yesterday reported that it had made pre-tax profits of £445 million in the three months to June 30, up from £319 million on the corresponding period.

The 39 per cent increase is reduced to 27 when allowance is made for the changes in the company's capital structure, made when it was privatized last year, and which helped reduce interest charges.

Sales increased to £2,005 million, up from £1,812 million, as home and overseas calls increased.

BT has still to decide whether it will exempt its right to put up telephone charges by about 4 per cent in November.

The company also pointed out yesterday that it had cost about £4 million to keep its 1.7 million shareholders fully informed about the annual general meeting, held a fortnight ago. Most of the money was spent on printing and posting annual reports.

Kenneth Fleet, page 21

BBC accused by envoy

Moscow - Sir Bryan Cartledge, the British Ambassador in Moscow, who has been at the centre of the "lit for lit" crisis in Anglo-Soviet relations, yesterday protested against "shoddy and appalling" coverage of the episode by the BBC (Richard Owen writes).

Sir Bryan called Mr Peter Ruff, the BBC radio correspondent in Moscow, to the embassy to make it clear he was referring not so much to reports from Moscow but to comments in

London, in particular a BBC World Service commentary which Sir Bryan said had argued that Britain's action in exposing a KGB defector and expelling 31 Soviet spies had been taken for political rather than security reasons.

LONDON: A BBC spokesman said the criticism referred to "a personal comment broadcast on the World Service by a distinguished freelance journalist. Former BBC correspondent Christopher Serpell."

Continued on back page, col 6

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Teachers vote to widen action with all-out strikes and work to rule

By Lucy Hodges, Education Correspondent

The National Union of Teachers announced yesterday that it had won huge support in two secret ballots of its members for intensified industrial action this term that will cause worse disruption than strikes. It also gave details of further strikes, some involving all members, and necessitating more ballots.

Teachers voted by 76 per cent in favour of going on half-day strike to attend local rallies over the next 15 days. In a separate ballot, the eighth conducted by the union in the nine-month dispute, members voted by 88 per cent to do nothing more than teach lessons and mark and prepare for them.

The work-to-rule intensifies present sanctions that involve refusal to cover for absent colleagues or to attend parent and staff meetings. That means teachers will refuse to help with development work for the new GCSE examination, to go on school journeys or organize Christmas plays, concerts or sports events, or see parents who call at school.

Mr Doug McAvoy, the union's deputy general secretary, said: "Teachers will do what they are paid to do, teach those in their schools, and nothing more."

He said the ballot results "scotch the view that it is the leadership of the NUT that is continuing the dispute. It is understood by our members and is being continued by our members."

The union, which is responsible for the dispute by virtue of its numbers on the Burnham negotiating committee, announced further action for later this term. There will be another

ballot seeking support for three half-day strikes in October, November and December, to involve all members in every school and local education authority between now and Christmas.

"The value of these is that they will bring home to the public the extent of dissatisfaction by NUT members," Mr McAvoy said. "They will show that it is not limited geographically or to primary or secondary schools."

A further ballot will be held over the next two weeks to seek support for a reintroduction of the two and three-day rolling strikes which were a feature of the dispute last academic year.

The union may decide to hit one school week after week, but the action will be applied at the same level in total as last term.

The new round of strikes will be selective, to affect certain areas, but the criteria are yet to be decided by the NUT executive.

Mr Fred Jarvis, general secretary of the union, said every member would be sent details of last week's 5.85 per cent formal offer which was tied to restructuring salaries from next September, and which was rejected by all unions. They would be told what the proposals meant for each teacher.

Sir Keith Joseph, Secretary of State for Education and Science, has said that teachers do not know what was contained in this £1.25 billion package which proposed promotions and rises for more than 70,000 teachers on top of the annual pay award.

Yesterday Mr Jarvis said: "For the large majority of the worst-paid teachers, and that includes something like 200,000

teachers who are on average salaries that does not match average earnings, the package offers nothing."

● The second largest teachers' union, the National Association of Schoolmasters' Union of Women Teachers, announced the names of five more authorities where industrial action will begin on Monday. They are Avon, Kirkcaldy, Lincolnshire, Lancashire and the Inner London Education Authority (the Press Association reports).

● Mr George Younger, Secretary of State for Scotland, warned Scottish teachers that time was running out for them to accept the latest pay offer. His warning coincided with reports that the Treasury was pressing the Scottish Office to drop its latest offer, of an extra 10 per cent over four years to teachers, if it had not been accepted by the end of October.

● Children in Northern Ireland's 1,000 primary and secondary schools face classroom chaos during the next two months after the NAS/UNT instructed its members in the province to stage a half-day strike, staggered throughout October and November to maximize the impact.

● Thirty-one Cumbrian schools, 26 primary and five secondary, were closed yesterday afternoon as a result of a half-day strike by NUT members.

● Mr Giles Radice, Opposition spokesman on education, wrote an open letter to Sir Keith yesterday saying that schools now faced the prospect of industrial action into next year.

RUC chief studies report on shootings

From Richard Ford, Belfast

The Chief Constable of the Royal Ulster Constabulary was yesterday studying a report into three shootings in Northern Ireland in which six nationalists were killed by officers of an under-cover, anti-terrorist squad.

Sir John Hermon and his senior officers will consider the results of an inquiry, lasting 16 months, by Mr John Stalker, Deputy Chief Constable of Greater Manchester, and a team of eight detectives into the events surrounding the killings. It is believed that the report is critical of the lack of supervision of the specialist anti-terrorist group.

Sir John, after he has studied the report, will send it to Sir Barry Shaw QC, Director of Public Prosecutions in Northern Ireland.

The inquiry began in May 1984 after the trial of a police constable, accused of murdering

an unarmed man in one of the incidents, was told that he had been ordered by senior RUC officers to concoct a false story of events leading to the shooting of two unarmed members of the Irish National Liberation Army. The officer was subsequently acquitted.

The two men, Seamus Grew and Roddy Carroll, died on the outskirts of Armagh in December 1982 when under-cover officers opened fire, believing that Dominic McGlinchey, at that time the most wanted man in Ireland, would be in the car.

Their killing, by men trained in "speed, firepower and aggression", came after three unarmed provisional IRA members were shot dead in Lurgan, Co. Armagh, a few weeks earlier, by police who fired 109 bullets into their car. A youth aged 17 also died when police opened fire on two men at a hazy night near by.

Revenge attack youth sentenced

Simon James, aged 16, of Lifford, Co. Donegal, was yesterday sentenced to four years' youth custody at Chester Crown Court for leading a revenge attack in which a teenager died.

Mark Harvey, aged 15, was

left dying at the gates of Lifford High School after being punched to the ground and then kicked after reporting three boys to the police for throwing snowballs at his house.

Sites found for nuclear waste burial

By David Young, Energy Correspondent

The United Kingdom Atomic Energy Authority is close to announcing details of several sites, possibly as many as six, which it has identified as suitable for the burial of radioactive waste.

Mr Arnold Allen, the authority's chairman, said yesterday that Nirex, the body set up to co-ordinate the nuclear waste disposal, had carried out studies of potential sites.

The two original sites identified by Nirex were at Billingham, on Teesside, and Elstow, in Bedfordshire. The Billingham proposal was abandoned after opposition from the owners of the land and in Bedfordshire the county council led opposition.

Mr Allen, who was presenting the authority's annual report, said: "Sea disposal is still suspended."

"Those who raise objections to waste disposal projects should remember that although the waste is being stored satisfactorily at the United Kingdom Atomic Energy Authority and other sites, it is common ground that a permanent and safe solution is needed."



Police search a pond in Southwark for Tina Beechook; (top right) Stacey Kavanagh and Leon Keating, whose bodies were discovered this week.

Police fears of double killing

Continued from page 1

Earlier yesterday, the father of Tina appealed to her abductor to return her safely. Mr Ravi Beechook, aged 30, said: "I assume the same person took Tina as took Stacey because they were both together."

Later, Mrs Beechook went to Southwark police station. "She was the last person we know of to see these two girls alive so she is a crucial witness," said a police spokesman. "She is here to tell us everything she can."

Mrs Beechook was still at the station late last night. Yesterday Suffolk police were trying to track more than 4,000 holiday-makers who stayed at the caravan site in

Great Yarmouth where Leon Keating had been on holiday.

At a press conference police displayed a piece of orange nylon washing line, similar to that used to tie the girls' hands together when she was thrown, still alive, into a ditch at Barton Mills, near Newmarket, after being sexually assaulted. A police spokesman said they were still trying to find the missing pyjama bottoms 'the girl was wearing at the time.'

Senior detectives believe that the killer of Leon could be the same man who kidnapped Pauline Coe, aged 16, from another caravan site three years ago.

They have uncovered startling similarities between last

week's killing and her abduction.

Both children disappeared after they were left locked inside caravans at East Coast holiday camps, both were sexually assaulted, partly stripped and bound with twine, and items of their clothing were missing when they were found, and both were abducted on September 13 and driven around for several hours before they were abandoned.

Another coincidence is that Pauline, who was abducted from the Bel-Air site at St Osyth, Essex, was left at another site in Great Yarmouth, just two miles from the holiday village where Leon was staying.

Parents warned on whooping cough

By Thomson Prentice, Science Correspondent

Parents are being urged to have their children immunized as soon as possible before a whooping cough epidemic strikes Britain later this year.

In a £500,000 government campaign a television advertisement featuring a very sick infant suffering from the illness, which can be fatal, is to be shown this month and in October.

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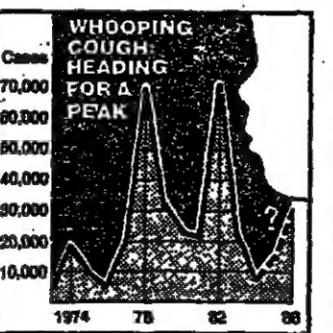
Epidemics occur about every four years and the next is expected to begin before the end of this year and continue until early in 1987.

Unless immunization rates are increased the number of cases could at least equal the 1982 epidemic when 66,000 people, most of them children, caught the disease and 13 died.

Concern about the side-effects of the vaccine in the early 1970s led to immunization falling from almost 89 per cent of children to the present figure of 65 per cent.

The Health Education Council, launching the campaign yesterday with funds from the Department of Health and Social Security, emphasized that the risks of the vaccine are now known to be far less than the risk of the disease.

The hazards of permanent brain damage have been put at one in 100,000.



Liberals won most in council by-elections

By Hugh Clayton, Local Government Correspondent

The Liberals outshone all other parties including the SDP partners in summer council by-elections, according to the latest survey compiled by researchers at Plymouth Polytechnic. The Local Government Chronicle, which publishes the results today, claims that the survey is the most detailed of its kind.

"These figures should encourage all parties that there is everything to play for," Mr Colin Rallings and Mr Michael Thrasher, who compiled the survey, comment. The survey

included an unusual one-vote result secured by a candidate of the far-right British National Party.

Elsewhere, the Liberals forged ahead and in one ward in Bolton, Lancashire, they took the seat with 50 per cent of the vote after coming third in the last election there in 1984.

"The apparent difficulty of the SDP to gain seats, as well as the political strains now seen within the Alliance," the compilers comment.

LOCAL ELECTION RESULTS				
Con	Gain	Hold	Lost	Net result
Lab	60	231	25	-132
Lib	137	68	22	+115
SDP	45	6	7	+38
Ind	14	16	4	-29
Others	5	6	5	no change

Source: Local Government Chronicle

Scargill gets £1m damages writ

By Staff Reporters

National Union of Mineworkers leaders came under fresh pressure yesterday to come to terms with the courts after Mr Michael Arnold, the Official Receiver, issued a writ against them.

The Civil and Public Services Association executive decided not to pay a £10,000 printing bill for the NUM after counsel's opinion that it would be contempt of court.

The decision, reversing a conference decision, reflects a rightwards shift in that union, but may also make other unions think again about giving financial support to the NUM which might make them liable for fines or legal penalties.

It was confirmed yesterday that Mr Arnold had issued a writ on Wednesday claiming restitution of union property and damages for breach of trust from Mr Arthur Scargill, NUM president; Mr Michael McGahey, vice-president; Mr Peter Heathfield, general secretary, and six banks involved in the transfer of £8.5 million of union assets abroad to avoid sequestration.

If Mr Arnold is successful, Mr Scargill and colleagues could be made liable personally for the loss of more than £1m through fines and sequestration.

The union's lawyers say Mr Arnold's move is a ploy to undermine their application to have him removed as receiver.

The Colliery Officials and Staff Association, a part of the NUM, is submitting membership contributions to Mr Arnold and is being reimbursed to cover administrative costs.

Transport and General Workers' Union leaders gave a strong hint yesterday that in the event of a clear division between the NUM and opponents at the Labour Party conference they will again throw their weight behind the miners.

The move came as Mr Neil Kinnock, Labour leader, repeated in uncompromising terms his rejection of the NUM's motion to the party conference in Bournemouth calling for a guarantee of the reinstatement of all dismissed miners and reimbursement of up to £1 million.

The 18,000 South Wales miners have been instructed not to take part in a demonstration planned outside the Court of Appeal in London next month in support of two colleagues, Russell Shuckland and Dean Russell, who have asked for life for the murder of a taxi driver, a miner, to work.

South Wales miners have set work records since the strike. Productivity has risen by more than 30 per cent.

The area's losses almost doubled to £185 million, in the five years since the strike.

The coal board wants to subsidize a new colliery, north Staffordshire, within the next six months. The pit, one of the deepest in Britain, could lose up to £2 million this year.

Correction

The verdict on Mrs Mary Armstrong and Mr Ted Williams, who died in a car crash in June, were accidental death not misadventure as stated on September 18.

British TELECOM

FIRST QUARTER RESULTS
30 JUNE 1985

	1985	1984
Turnover	£2,005m	£1,812m
Operating profit	£512m	£453m
Profit before taxation	£443m	£319m
Profit attributable to ordinary shareholders	£245m	£204m
Earnings per ordinary share	4.1p	3.4p

- Turnover up 11%
- Profit before taxation up 27%*
- Earnings per ordinary share up 17%*
- Outlook for year remains favourable

*After adjusting for changes in capital structure in 1984

The unaudited figures above are extracts from the interim report, a copy of which may be obtained by telephoning 0345 010707 (local call charge only within UK) or Bristol (0272) 276153, or writing to Investor Relations Office, British Telecom Centre, 81 Newgate St, London EC1A 7AL. For daily information on the British Telecom share price, dial Shareline on one of the numbers given below. London 01-246 8022 Birmingham 021-246 8056 Edinburgh 031-447 0233 Glasgow 041-248 4400 Liverpool 051-488 0797 Manchester 061-246 8050 Belfast (0232) 8030 Bristol (0272) 215444 Cardiff (0222) 8037 Leeds (0532) 8038

Minister challenges Kinnock on rate rebels

By Hugh Clayton and Colin Hughes

Mr John Patten, the new Minister of Housing, said yesterday that Mr Neil Kinnock, the Labour leader, should repudiate demands from rebel councillors for retrospective laws to wipe out penalties for "wilful misconduct".

"He has not come down and condemned what is happening in Liverpool," Mr Patten said in his first policy speech after being transferred to the Department of the Environment on Monday.

"He must say that the Labour party is dead against retrospective legislation in this respect," Mr Patten was speaking at the annual conference in Southport of the Labour-dominated Association of Metropolitan Authorities, of which Liverpool City Council is a member. One heckler told Mr Patten that he

was "a pompous Thatcherite twit".

Labour's leadership was caught between competing demands from Mr Patten and from Liverpool Labour councillors who face penalties for "wilful misconduct" from Mr Tim McMahon, the Merseyside district auditor, and who are demanding more government aid for the city.

Mr Derek Hatton, Labour deputy leader of the council, joined Mr Ted Knight, leader of Lambeth council in London, in demanding a pledge from Labour's national leadership to set aside penalties imposed this month by district auditors.

Mr Jack Straw, a Labour parliamentary spokesman on the environment, said at the conference that it would be "fruitful" to make a pledge now. He said after meeting Mr Hutton and other Liverpool councillors: "We have always

supported Liverpool's case for help along with other cities."

Mr Patten said: "I greatly regret that no one from the Labour Party or the Parliamentary Labour Party as a whole has thus far given a clear and

unequivocal lead in saying that they will not support law-breaking, and that they will not support retrospective legislation in any sense if they come to form a government."

Mr Hatton demanded an "absolute commitment" from the Labour leadership. "It is not just the city council involved in this struggle, but the whole Labour Party," he said at the conference.

Behind the dispute lies a determination by the city council not to comply on any scale with government demands for cuts in manpower or spending projects. Liverpool has one of the highest rates of council-house building in Britain and has consistently gone against the "wring" throughout local government of an erratic but persistent cut in the labour force.

Several factors distinguish the Liverpool crisis from

arguments between other Labour-led inner city councils and the Government. One is that Liverpool is the only council to be operating a clearly defined deficit budget in which income is designed to fall short of spending in the hope of leveraging spending power from the Government.

The gap is £80 million which could be bridged either with severe spending cuts that would go against council policy and with bringing forward spending planned for next year.

In neither case would the cut have to exceed £30 million. The rest would be secured through an automatic drop in the Government's penalty for spending above the target set by ministers.

The penalty becomes more severe as spending soars above the target.

Several factors distinguish the Liverpool crisis from

Uncertainty fuels rumour about troops

From Peter Davenport, Liverpool

A measure of the uncertainty that prevails in Liverpool, where council workers are due to strike from Wednesday, can be gauged from an incident involving Radio City, the local commercial radio station.

An Army public relations officer made a hurried call to it news-desk to ask the station to broadcast that the 5,000 troops in convoy through the city were Dutch soldiers heading for a Nato exercise in Scotland and had not been ordered in by the Government to man essential services during the strike.

There had been rumours that troops had been put on standby to move into Liverpool if the Government appointed commissioners to run the bankrupt city and that plans had been drawn up to evacuate children in council care to homes in the Isle of Man.

Just what effect the strike will have on the day-to-day lives of

the half a million citizens of Liverpool is unclear. There are simply no precedents.

With only five days to go before the stoppage, union leaders in charge of planning the action admitted yesterday that they did not know how much support their call would command and what services would be protected.

After meeting for several hours the only guarantee that the joint shop stewards' committee, representing the 30,000 council employees, could give was that the dead would be buried.

Other details of what essential services would be protected will not be disclosed until late on Tuesday evening, at the same time as the results of the strike ballots.

The meeting of the shop stewards, who have in effect taken over the confrontation with the Government from the

city's Militant Labour councillors, had been expected to draw up a list of essential services.

They decided instead to form a sub-committee to draw up final plans.

Mr Ian Lowe, chairman of the Environment, threatens to call in a commissioner to run the city, which by now has debts of £22 million, if it continues to defy Whitehall spending limits.

February 22, 1984: Mr Jenkin refused to raise Liverpool's spending target by 30 million. The council leader, Mr Derek Hatton, says the council wants an illegal budget. Mr Hatton says they will vote for an illegal budget, thereby costing Labour's majority on the council.

March 1984: Mr Neil Kinnock dispatched Hatton from the plans, saying that setting an illegal budget would be a disgrace.

28 months of conflict and counter-threat

May 6, 1983: Militant-dominated Labour group captures Liverpool with promises of council rent cuts and job creation projects.

July 30, 1983: Mr Patrick Jenkin, then Secretary of State for the Environment, threatens to call in a commissioner to run the city, which by now has debts of £22 million, if it continues to defy Whitehall spending limits.

February 22, 1984: Mr Jenkin refused to raise Liverpool's spending target by 30 million. The council leader, Mr Derek Hatton, says the council wants an illegal budget. Mr Hatton says they will vote for an illegal budget, thereby costing Labour's majority on the council.

March 1984: Mr Neil Kinnock dispatched Hatton from the plans, saying that setting an illegal budget would be a disgrace.

March 20, 1984: One-day strike in Liverpool Labour group, facing defeat, forces a postponement of local council elections after the local election.

May 3, 1984: Labour majority increased to 17.

May 9, 1984: Budget meeting postponed. Labour group accepts a £2.5 million government aid package in return for a budget setting a 17 per cent rate rise.

July 11, 1984: Legal budget is approved.

December 12, 1984: Liverpool and 19 other Labour councils decide not to offer spending concessions. March 1985: Liverpool tells "ragging" over rates. June 14, 1985: Liverpool fixes a legal rate and deficit budget. September 9, 1985: Liverpool councilors are sent a "wilful misconduct" in delaying the setting of a legal rate. September 12, 1985: Council shop stewards call an indefinite strike in support of the council. September 17, 1985: Government refuses to allow Liverpool to borrow £25 million.

Pupils return as Aids boy's parents call for greater understanding

By Thomson Prentice
Science Correspondent

The parents of a boy aged nine infected by Aids said yesterday they understood the reaction of other parents who are keeping their children away from his school.

The boy's father said: "They are doing the same thing that we are trying to do; they are looking after their children. The only thing is, when they come to a decision, that decision should be made not on ignorance but with as much information and understanding as possible."

The parents said they still kissed and cuddled their son, identified only as Peter, and treated him as they had always done. The boy, a haemophilic, developed antibodies to the Aids virus after receiving a contaminated blood-clotting agent. He is not suffering from the disease itself.

His parents said they informed the school, Scantabou Primary in Chandler's Ford, Hampshire, "without hesitation". But when his condition became known, about a quarter of the 100 pupils were kept at home by their parents.

Only 21 children were absent from the school yesterday after parents were addressed on Wednesday night by Dr Anthony Pinching, a leading Aids specialist. A total of 46 was absent on Wednesday.

The boy's parents agreed to be interviewed by a local news agency in an attempt to dispel panic while the British Haemophilia Society appealed to the Department of Education also to issue reassurances.

If the end result is that this is out in the open and parents will not be hysterical, that is good," the boy's father, aged 35, a computer systems manager, said.

Peter's mother said that they had no regrets about making his condition known. "We don't want things hidden. We did it so the right precautions would be taken. Other parents must do what they think is right."

Nursery child stays away

A boy aged three who developed Aids antibodies has been withdrawn from a nursery class in Winchester, Hampshire, it was disclosed yesterday.

The boy, a haemophilic, was taken away after consultation between education officials and his parents when he developed the antibodies after receiving a contaminated blood-clotting agent.

A spokesman for Hampshire Education Authority said: "Because it was a three-year-old boy who was only doing part-time classes, the decision was taken to take him out of school for the time being at least."

He said the action was taken before it was announced that a boy aged nine was being allowed to continue his education at Scantabou Primary School, Chandler's Ford, a few miles from the Winchester area.

The spokesman said the two cases were "distinct" as the authority did not have the information about Aids it had gained since the second case, when the decision was made to withdraw the younger boy.

He said the younger boy could possibly return to school before he began full-time education. "There is now a great deal more information than we had last time."

She said that Peter's friends had rallied around, going out of their way to play with him and inviting him to their homes for tea.

At school, Peter is being watched in case he cuts himself. At home, his parents are taking extra precautions while injecting him with the clotting agent he needs, taking care over blood spills and avoiding jabbing themselves with the syringe. "Our greatest fear is that Peter will not be able to lead a normal life, not because of Aids but

because he is a haemophilic," his father said. "Aids is just another problem. We are just running away from it, but it is no good dwelling on it."

Peter, described by his parents as a quiet lad with a sense of humour who likes making model aeroplanes, had rather enjoyed the past few "cloak and dagger" days, dodging the press and watching himself on television going to school with other pupils.

His parents had told him about his condition. "Nothing has been hidden and he is aware of what it means," his father said.

Peter's case is the first of its kind in Britain. In the United States, at least one boy is being educated at home because other parents fear he will infect their children.

The British Haemophilia Society is concerned that the situation at the Chandler's Ford school may be reflected elsewhere. Mr David Waters, co-ordinator of the society, said he had received anxious calls from staff or parents at several schools in the south of England.

He said: "We have asked the Department of Education to try to dispel the current wave of unnecessary and unreasonable panic which is building up."

Transplant surgeons are warned in today's issue of *The Lancet* to screen organ donors for the Aids virus.

Two kidney transplant patients in Brazil developed antibodies to the virus after receiving a kidney each from the same haemophilic donor, doctors report.

The doctors recommend that donors, especially haemophiliacs and homosexuals, should be screened for infection by the virus.

An Aids victim aged 29, is to appeal against a court order requiring him to be kept in a Manchester isolation hospital after a doctor gave evidence that to release him would be "very dangerous".

Leading article, page 18



The parents of the Aids victim, Peter, aged 9, who are seeking to dispel panic

Evidence on Indian jet disaster 'is withheld'

The inquest on 131 people, whose bodies have been recovered from the wreck of the Air India jumbo jet which crashed off Ireland, in June was told yesterday that scientific evidence which could help to explain the disaster, is being withheld from the public at the request of the Canadian Government.

Mr Cornelius Riordan, the Cork Coroner, and a lawyer for the victims' relatives said that the evidence should be made available to them. But Mr Barry Galvin, the State solicitor for the Irish authorities, said if the information was released it could be useful to anybody guilty of causing the disaster.

A dispute over the evidence came when Mr John Hogan, the Cork Regional Hospital Consultant Pathologist, said that during post-mortem examinations on victims he found several green-painted particles of metal in some of the bodies. The particles had been forensically tested but he was not aware of the results.

Mr Galvin said that the forensic report did not come within the terms of the inquiry.

"At the request of the Canadian authorities the Irish Attorney General has been asked to keep the document privileged. That document is obviously of interest to the guilty party, if there is a guilty party."

The inquest continues today.

More bodies of victims have been discovered, strewn among the wreckage, 6,000 ft down on the seabed off the Irish coast, investigators said yesterday.

Irish satellite gets go ahead to beam TV at Britain

By Bill Johnstone, Technology Correspondent

British viewers could receive television programmes from an Irish satellite years before a British equivalent is launched. A £300 million Irish satellite has been approved by the Irish Government.

Its "footprint", the area in which its beam can be transmitted, can extend from the east coast of the United States to the edge of western Europe.

The Dublin Government said: "Ireland will have the first television satellite in operation in the space it shares with Great Britain. In fact, we could be three or four years ahead."

"The advantage is that we would have a long time to establish ourselves on the international market. It would also give us a major advantage in marketing Irish-made programmes for television."

The licence has been awarded to a consortium, Atlantic Satellites. The Irish Government receives a 25 per cent stake without a requirement to invest.

The decision will shock many television industrialists in Britain who vacillated about investing in satellites and after two years of indecision aborted

the project this summer. The Independent Broadcasting Authority has been attempting to revive the project by inviting interested groups to apply for a franchise.

Britain could become the major satellite television market for most of Europe unless it launches a spacecraft and is able to control transmissions from outside its borders. France has plans to launch a television satellite next summer.

Mr Robert Maxwell has a 20 per cent stake in that project. The four channels are expected to be able to reach an audience in western Europe of 150 million, through a £500 antenna mounted on roofs. At least one channel will be in English.

The satellite race began in 1977 when most countries in Europe were each awarded five channels for these direct transmissions. The areas covered by some satellites overlapped, particularly over adjacent countries.

The Irish channels' content have not been finalized but they would provide a substantial market to British programme makers who could broadcast over Europe.

City clears chaos after 3 inch deluge of rain

By A Staff Reporter

Glasgow was yesterday clearing up the chaos left by almost three inches of rain which deluged the city in 24 hours.

Emergency services were swamped with calls, the underground system was shut down and many roads were under water.

In Renfrewshire, firemen and police responded to hundreds of emergency calls and many cars were abandoned on roads to the west of the city.

Bans on non-essential uses of water should be made easier to impose and the law should be changed accordingly before the

next drought, the Water Authorities Association says in a report on last year's drought, published today.

In a letter accompanying the report, Mr Len Hill, chairman of the association, urges Mr John Paton, Minister of State in the Department of the Environment, with responsibility for the water industry, to amend the legislation for the granting of drought orders "and so be ready if trouble comes".

Drought '84 (Water Authorities Association (Publications), Queen Anne's Gate, London SW1H 9BT, £3.50).

Weather forecast back page

Equality commission head denies sexism

The chairman of the Equal Opportunities Commission said yesterday that commissioners on the selection committee for the post of chief executive had agreed to exclude another commissioner from the shortlist.

Lady Platt told an industrial tribunal in Glasgow that she could not see Professor Angela

Bowley, a part-time commissioner, in the £30,000 post.

Professor Bowley, aged 44, from Arrochar, Dunbartonshire, is claiming she was discriminated against when she applied for the job, which was awarded to a man.

She holds the chair of business administration at Strathclyde University.

Lady Platt said on the fourth day of the tribunal: "I do respect Professor Bowley as a woman of considerable talents and ability in the unusual position of being a woman professor at a university. But what we were considering was the appointment of our chief executive."

The hearing was adjourned



The three acquitted doctors outside Bodmin courthouse (left to right): Stuart Davison, John Blount-Baker, James Lunney.

Village doctors acquitted over drug supply to shop

Three doctors who supplied restricted drugs to a village shop did not break the law, a jury decided yesterday.

A four-day trial at Bodmin Crown Court ended with the acquittal of Dr John Blount-Baker, Dr Stuart Davison and Dr James Lunney, of the Surgery, Tintagel Terrace, Port Isaac, Cornwall. The jury returned not guilty verdicts after less than 20 minutes.

The prosecution had been brought by the Pharmaceutical Society of Great Britain, which regarded the trial as a test case. The society had claimed that the drugs - which consisted of a

pinkish spray for wasps stings, a child's analgesic, and antibacterial throat lozenges - should have been available only from a qualified chemist. The nearest chemist is more than four miles from Port Isaac.

The doctors had supplied a large quantity of goods to Mr Gratiam Woods, a local shopkeeper, in 1983. They said they did not know that among the items were some which are known as "pharmacy only", and are on a list of drugs which the society says "should be restricted".

The doctors made no profit from their arrangement.

Bus fare rise attacked

By Our Transport Editor

An expected 20 per cent rise in London's 25p minimum bus fare in the New Year was yesterday condemned as "disgusting" by the Greater London Council.

Fares rose by 9 per cent in January, London Regional Transport confirmed that it proposes a further rise in line with inflation next January.

LRT experts say a 20 per cent rise would allow for the introduction of a 30p flat fare since that is also the maximum in many suburban areas.

Mr Dave Wetzel, chairman of the GLC transport committee, said present government fares policies were "sucking a captive public dry".

Club 'barred Asians and fat women'

Fat women, cockneys, Asians and blacks were barred from a West End night club, its former head bouncer claimed yesterday at an industrial tribunal.

Mr Said Abdulla, who is 6ft 7in and known as "Big Max", claims he was unfairly dismissed as head doorman of the Hippodrome in Leicester Square, central London.

Mr Abdulla, aged 29, of Birkdale Avenue, Romford, Essex, said that the club policy was "no blacks, no cockneys, no Indians wearing turbans and no people under 21."

"No fat ladies were allowed in either. That could be a little awkward," he added.

At an earlier hearing, Mr Roger Howe, the club's manager, said that Mr Abdulla was dismissed for "being a bouncer" and using excessive violence. The club had received numerous complaints.

Mr Abdulla denied yesterday that the letters singled him out. He claimed that the management did not give him any official warnings.

Solicitors for the Hippodrome accused Mr Abdulla of making up his allegations but he insisted that there was a ban on Indians and other people.

He disputed the club's claim that he was removed from the front door temporarily for being too violent.

Mr Robert Sales, of Worples Road, Isleworth, west London, a former doorman at the club, said that they were a colour bar and they were told specifically to let in "only a certain class of person".

The hearing was adjourned until October 24.

Dress rules for women clergy

By Clifford Longley, Religious Affairs Correspondent

The standard dress to be worn by women clergy in the Church of England, chosen by the Archbishops of Canterbury and York, will retain some subtle distinctions between the sexes.

In a guidance note issued today the archbishops favour blue for women, while male deacons will continue in their traditional black.

As the first women deacons to be ordained are likely to be deaconesses, who already wear blue cassocks, the archbishops have chosen not to put them to the expense of buying a new wardrobe.

The ordination of women deacons was agreed earlier this

year by the General Synod, but has yet to receive formal parliamentary approval.

The archbishops have issued their guidance now, however, as some women are entering training this autumn and want to know what to buy. Lambeth Palace called the new dress rules "simple but dignified".

The archbishops clearly want to discourage the use of the metal or wooden pectoral crosses, fashionable among deaconesses but also the mark of a bishop. Those who already possess one may continue to wear it, they say, meaning those who do not, should not.

The guidelines do not recommend the skirt-and-blouse combination as standard dress, although they would be permitted under the proviso that the guidelines "can be adapted to the accepted local custom".

A medal of badge is to be designed to be worn as the distinguishing mark of deacons, probably similar to the small gold cross some priests wear in their lapels when they abandon their roman collars for a tie.

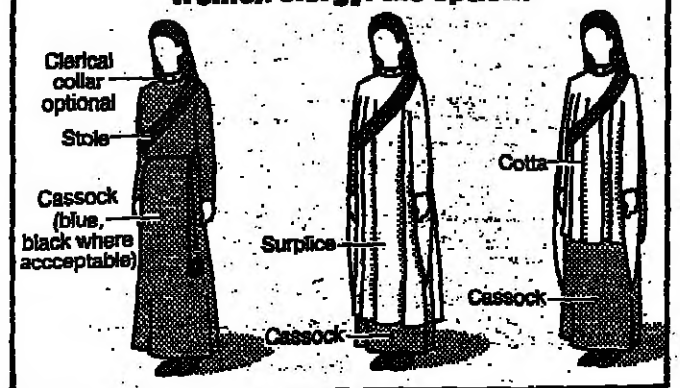
The collar, on which opinion among deaconesses is divided, is to be optional: the cross will be the "consistent mark of identification" of a woman deacon.

The rules for dress in church are closer to what is already worn by male clergy: surplices or cottas (a short surplice) over a cassock. While a blue cassock is preferred, black or white would be acceptable.

As with male deacons, female deacons will wear a stole of embroidered cloth with tassels, over the left shoulder like a shawl, on liturgical occasions.

But in "choir", present but not officiating in a service in church, they will wear a black scarf with a surplice, standard dress for male clergy on such occasions.

Women clergy: the options



West Wiltshire District Council is a council with a difference—a big difference. It is run by hard-headed businessmen who have kept the rates among the lowest in the country for many years. The Councillors and top officials are directors of a business—West Wiltshire Holdings Limited—which under its Chairman, George Applegate, is steering a commercial dream into reality.

They are, as he puts it, "turning green blades of grass into jobs".

And White Horse Business Technology Park, which they are creating right in the heart of Southern England, has all the elements of success built into it.

An experienced, professional, indeed entrepreneurial, development team offers an exceptional range of services. It is well able to match any company initiative with its own business-like drive to get things done quickly and efficiently.

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West Wiltshire Holdings Limited and Bath University have joined forces in the creation and operation of the Park. The university's own company, South Western Industrial Research Limited (SWIRL), is geared to the needs of industry and commerce and will provide backup for companies at White Horse Park. SWIRL will have a highly sophisticated analytical and chemical test house on site. And businesses located at White Horse Park will be able to plug into a wide spectrum of science, technology, information and computer expertise on the University campus.

A comprehensive range of technical and managerial services will be provided. These will include office support services, conference, exhibition and catering facilities, a helpdesk, business advice centre and a highly professional PR/marketing/

West Wiltshire Turning green grass into jobs



Chairman George Applegate (left) and Managing Director Gerald Garland—mapping out a new future for you in West Wiltshire.

corporate design service. Sites are being reserved for banking, financial and secretarial services, and other business-related concerns.

A complete spectrum of companies will be accommodated. New technologies—micro-electronics, computers, aerospace, microbiology, biotechnology, and so on will co-exist with manufacturing units and high quality offices.

West Wiltshire is twenty miles

east of Bristol and only ninety miles west of London. The M4, M5 and A303/M3 are easily accessible. London is 80 minutes by train. The south coast ports are close at hand. Heathrow is less than two hours drive.

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There is a large multi-skilled and highly reliable labour force in the area. The social environment is so attractive that specialist staff will jump at the chance to move there.

West Wiltshire Holdings Limited has all the professional resources and experience to help with any relocation or expansion project. And it can provide all the back-up for companies who wish to start up in an exciting and profitable environment.

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Construction work on the Park has already started. The first firms taking part are not only getting the prime sites—they are also getting very special deals.

Get all the facts. Contact Managing Director, Gerald Garland, or Roger Pugh, Director, on Trowbridge (02214) 63111 or, if you prefer, write to them at West Wiltshire Holdings Limited, Council Offices, Bradley Road, Trowbridge, Wiltshire, BA14 0RD.

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LIBERAL ASSEMBLY/DUNDEE

EMS support • Mining investment • Women's role • Sanctions demand

SOUTH AFRICA

Apartheid the ideological descendant of the holocaust, Beith says

Reports By John Winder, Anthony Hodges and Sheila Beardsall

Foreign Office ministers were under orders to protect South Africa from 10 Downing Street which had left them deeply embarrassed by their total isolation in the international community. Mr Alan Beith, Liberal spokesman on foreign affairs, told the Liberal Assembly in Dundee yesterday.

He told applauding delegates that apartheid was the direct descendant of the ideology of the holocaust.

The assembly passed by large majorities a motion condemning apartheid and calling for embargoes, for termination of the no-visa agreement with South Africa and an EEC ban on South African Airways flights, among other measures.

An amendment moved by Mr Beith was added to the motion noting recent changes and deploring the shameful isolation of the Government in opposing the application of effective measures in the UN, Commonwealth and international community and EEC.

The amendment also condemned the state of emergency.

Mr Alan Watson, outgoing president of the Liberal Party, said: "The purpose of sanctions is to prevent Armageddon in South Africa."

He did not believe the argument that sanctions did not work. Mr P. W. Botho would not have agreed to consider the changing pass laws if the economy had not been shaken.

Mr Alan Beith, MP for Berwick-upon-Tweed, said that the case for applying the sanctions and other measures proposed was not that South Africa was alone in denying basic civil rights to millions of its citizens. The club of police states had many members, nor was South Africa the most brutal regime of recent times.

There were different and compelling reasons why apartheid called for a special and massive effort to bring about change.

"It embodies in the government and in the daily lives of citizens what most people believed in their hearts to be the most evil and dangerous doctrine ever preached on earth — that human beings could be treated as inferior on the basis of their race. It is the direct descendant of the ideology of the holocaust."

South Africa was historically and economically tied up with the western democracies and dared to claim that it was defending their values.

The amendment had been tabled because of the rapid dramatic change in South Africa. The screw of repression had been turned even lighter and resistance and oppression had boiled over in the townships. The economy of South Africa had become more vulnerable.

If Mrs Thatcher continued to turn her back on such measures, there are two messages to be learned from this conference: Liberals learn fast and engineers are anything but dull.

ministers' standing in the Third World would be destroyed beyond repair and they would have betrayed the oppressed peoples of South Africa.

"The issue cannot wait for the next general election and an Alliance Government. That may be too late (applause) so the Alliance will fight and fight to change the attitude of this Government before it is too late. The alternative is a blood bath which we have long feared. For peaceful change it is now or never."

Mr John Calvert, South North, opposed the motion. He said that South Africa was not the only racist country in the world and other countries committed genocide without a tenth of the condemnation.

It had a democratic constitution even if only for the white minority. There were not many countries where opposition MPs could criticize openly. It was also wrong to disinvest. Britain should invest more and have more ties with South Africa.

Mr Willy Nason, National League of Young Liberals, said the only people who would benefit from foreign investment in South Africa were the minority whites who ruled with a smoking gun and a bloody sword.

Every Cape apple not bought and every pound withdrawn from Barclays Bank was another nail in the coffin of apartheid, he said.

CONFERENCE NOTEBOOK

within two years of an election, and in exceptional circumstances three years, any party leader would have to be reappointed.

The whispering in the corridors began: was this true? If so was it an attack on David Steel?

And was the Liberal Party marching down the Labour road to mandatory reselection of candidates?

The debate of the hall on the future of coal went to the board, our attention diverted by an emergency press conference: The Liberal Party helpline on preparing for power was showing off the rules it had learned.

Enterprise Zone. In addition the area around Lancaster and parts of the Ribbles Valley can offer industry aid from the EEC under a scheme to attract new investment for former textile areas.

All the oil and gas exploration block allocated under the recent nine round of offshore licensing lie within two hours' sailing of Fleetwood or Hey-



Mr David Senior whose successful rule change yesterday means the party leader faces compulsory reselection in every Parliament (Photograph: John Manning)

EQUALITY

'Pull up sexist socks'

The party's organization was urged "pull up your sexist socks and declare yourself an equal opportunities employer" during a debate on the status of women.

The speaker, Ms Janice Turner, said if the party wanted the support of women, it had to speak for them.

A long, successful motion urged a future Liberal or Alliance government to give priority to policies designed to improve women's position in the labour market; to establish fair pensions for all including an equal retirement age; provide

adequate child care facilities and adequate back up services, and abolish all discrimination on ground of sex or marital status in payments of social security benefits.

Ms Zerbano Gifford said that too long British women had been separated from husbands and fiancés because of blatantly racial and sexist immigration policies.

The party abandoned its traditional temperance image yesterday when voting overwhelmingly for a policy of more flexible licensing laws.

Mr Len Tonbridge, from Cornwall, said there was something wrong with a Government which boasted of spending £4.8 billion to contract a fundamentally viable coal industry.

Ms Margaret Jerkin, from Epsom and Ewell, said centralized management was strangling the coal industry.

Mr Richard Lacey, Liberal MP for Brecon and Radnor, argued for more jobs in deep mining.

"Of course there are some economic pits," he added. "But no pit should be closed until there is alternative work in those communities."

Mr David Rendall, prospective parliamentary candidate for Newbury, said redundancy money and unemployment benefit had to be part of the equation when costing mine closures.

Linda Christmas

ECONOMY

Penhaligon attacks \$2.5bn borrowing

The Government should join the European Monetary System as a cheaper way of securing financial stability and avoiding currency speculation than borrowing \$2.5 billion, Mr David Penhaligon, Liberal spokesman on Treasury affairs said.

Mr Penhaligon MP for Truro, said the Government was putting a tremendous squeeze on the home budget, which was why it was cutting investment in the infrastructure, but after six years its economic policy was only marginally successful.

Pay claims had not been as low as expected and Britain was importing vast amounts of manufactured goods which cost hundreds of thousands of jobs.

The international value of the pound was higher than necessary, interest rates were high and the Government was risking \$2.5 billion of foreign currency.

The report called for a strategy based on sustainability, partnership, decentralization and enterprise.

It stated: "The long-term decline of the UK economy, growing unemployment and

falling competitiveness are not only causes of dangerous social instability, but the product of a society where economic and political power is too concentrated."

The Liberal's immediate programme, it added, should be capital investment in the infrastructure, an incomes strategy with profit sharing, and a more equitable distribution of wealth and incomes; greater incentives for long-term venture investment; more education, training and retraining; the renewed public investment in research and development.

Mr Robert Hinchinson, from Islington, chairman of the ecology group, criticized some of the wording as inducing "a sleep-inducing banality".

"We cannot achieve vital constitutional and political reforms unless this party becomes the party of sceptical ecologists."

Mr Richard Watnwright, MP for Colne Valley, and spokesman on Energy, said that the resolution was the answer to the pressure for a return to the misbegotten doctrine of "protectionism."

Commentary

Geoffrey Smith

Every political party gets a short, sharp boost from a successful conference. So it would be unwise to attach too much significance to the Gallup poll in the *Daily Telegraph* showing the Alliance nearly ten points ahead of Labour in second place. But the most important feature of this week in Dundee is that the Liberals believe that at last they are on the move.

For many years the Liberal Assembly presented the curious spectacle of a political conference of essentially non-political people. Its saving grace was that it did not take itself much more seriously than others did. It did not expect power and it probably did not really want power.

Leaders might proclaim that they were about to march their troops towards the sound of gunfire, but it was recognized that they would not get inconveniently close.

Mr David Steel will not need to employ a rhetorical device to persuade this conference to take itself seriously. There is still the ironic fringe, but now it is clearly on the fringe.

It has, on the whole, been a dull conference. But this matters less than it might have done because of the success of the SDP conference last week. The principal task for the Liberals this week has been not to spoil the good impression made by their Alliance partners.

For the most part, the Liberals have passed that test. It has not been so good a conference as Torquay, but the possibility that the Alliance might be at least sharing the responsibilities of government within a few years has had a sobering effect on the Liberals.

Greater awareness of inadequacies

The party is still short of expertise, and there is still a certain mistrust of expertise. But the Liberals have been displaying a greater awareness of their own inadequacies which is itself a sign of growing political maturity.

Both in Torquay last week and now in Dundee there seems to be a deeper instinctive acceptance of the Alliance, and the Liberals are coming to terms with the realities of partnership.

I have little doubt that most of them would prefer the Alliance to have a single leader. But so long as Dr Owen is so strongly opposed to that, the Liberals would simply be networking a public channel by pressing for it. So in Wednesday's debate on preparing for government, the conference sensibly made the best of the reality of joint leadership.

But the better the Alliance seems to be doing in political terms, the more attention will inevitably and rightly be directed to its policies. In this respect the week has been encouraging.

Defence policy has been discussed essentially in terms of "Mr. Aschdown's second thoughts." But this week has revealed how serious are the differences over defence between the Liberals and the SDP, quite apart from cruise missiles.

Next year defence policy as a whole will be discussed by both the Liberals and the SDP after the report of their joint commission, and it will not be easy to secure agreement.

No clear idea on incomes policy

In the statement on the economy approved by the conference yesterday the Liberals managed to reconcile their concern for the environment with the pursuit of economic growth. That was sensible. But it was still a thin policy.

It placed undue emphasis on a programme for decentralization which does not seem to have been thought through. It had nothing to say on the critical subject of competition policy, and there was no sign that the Liberals had any clearer idea than the SDP as to how to achieve the income policy which they both regard as essential to their plans.

On Wednesday, Dr Owen made a commitment to a Scottish parliament and offered renewed encouragement for devolution to Wales and the English regions, without any these days for such proposals.

This had been a good conference season for the Liberals as well as for the SDP. But if they are to be taken seriously as a party for government, as they now take themselves, they will need to devote more resources to research.

Esso pioneers oil drilling off Lancashire coast

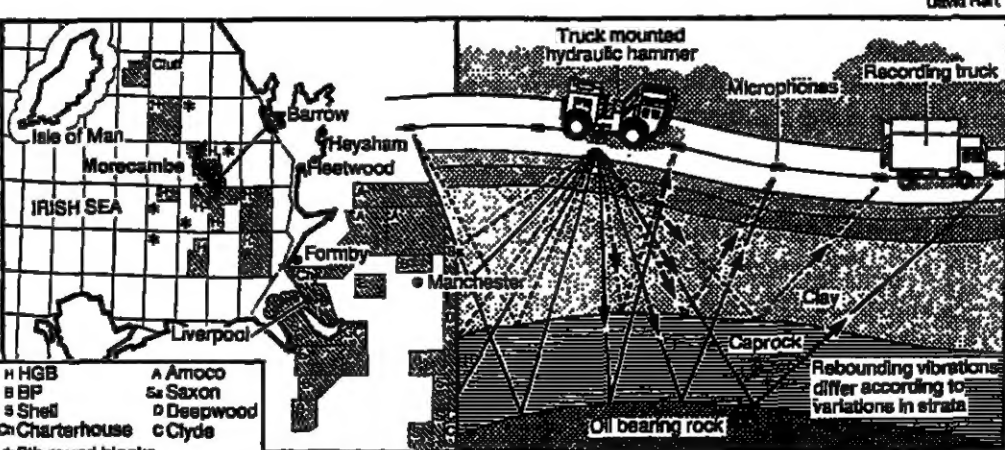
By David Young, Energy Correspondent

Esso is to start drilling for oil in the Irish Sea off the Lancashire coast this winter close to Morecambe Bay, where Britain's largest natural gasfield was brought on stream by British Gas in January.

A jack-up drilling rig will be used for three months and Esso will set up a full-time services base in Heysham. The port was selected because it is accessible whatever the tide. Local companies have been asked to tender for a management contract.

Drilling will take on a block licensed in the recent ninth round of offshore licences.

The Esso exploration programme is expected to be the first in a major development of



the offshore industry in the Irish Sea.

While not quite planning to replace seaside donkeys with the nodding variety used to pump oil, Blackpool and its neighbouring local authorities are to promote the area as a centre for the offshore oil industry.

The Morecambe Bay gas field, Britain's largest, already on stream and the lights of drilling rigs off the Lancashire coast twinkle as brightly as the illuminations along the Blackpool promenade.

The local authorities involved are in areas covered by development area or intermediate development area status and part of the North Western

Church issues warning against benefit cuts

By Clifford Longley, Religious Affairs Correspondent

The social security system is a "compact" through which the rich agree to help the poor, so changes should not be used to reduce general taxation, a Church of England response to the Green Paper on social security says today.

The statement by the board for social responsibility emphasizes that the rich helping the poor is part of the biblical injunction to love one's neighbour.

Apart from the ethics, however, the statement underlines a warning against false economics, saying reduction in social security could increase calls on public expenditure in other areas. Insufficient family income for food and housing would lead to sickness and greater calls on the health service, for instance.

Firms backed on SA code

By Our Religious Affairs Correspondent

Most British companies with branches in South Africa are to be commended for the way they are discharging their responsibilities to social justice, Sir Douglas Lovelock, First Church Estates Commissioner, said in a letter published yesterday.

Where the Church commissioners have invested in such companies, their record was closely monitored. "From our personal contacts, we are frequently impressed with the care and concern with which these issues are considered by

Stunt plane in crash had defects

By Michael Bailey, Transport Editor

Mr David Purley, the former motor racing champion was killed off Bognor Regis in July in a home-built stunt aircraft without a proper permit to fly, according to an official inquiry report.

His Pitts Special single-engine biplane crashed into the sea on a pleasure flight. Defects were discovered in both the engine system and the safety belts, an Accident Investigation Branch report says.

Mr Purley, aged 45, who was awarded the George Medal for trying to save a friend from a blazing racing car in 1973, was doing low-level aerobatics when his engine appeared to fail during a stall turn, and the aircraft flew into the sea at moderate speed.

His seatbelt failed and his head struck the instrument panel a severe blow. Engine failure may have been due to a block in the fuel supply caused by part of a hose lining that came off the report says.

The aircraft, highly manoeuvrable and popular for aerobatic displays, was a "home-built" version made in the US in 1973 and imported into Britain and reassembled in 1980. Its permit to fly had expired in January, the report says.

Major leaves £7m village estate to partner

Most of the historic village of Great Tew in Oxfordshire has been left to one of the land agents who has helped to run it for 20 years.

Major Eustace Robb, who died last month aged 87, has bequeathed his estate, valued at £7 million, to his partner, Mr James Johnston.

The estate is made up of a mansion house, 14 old farms and most of the cottages in the village, which has a population of 200.

Details of the will, which has not yet been made public, have been released by relatives who say they have been left none of the family property, furniture and pictures.

West Oxfordshire District Council has decided to serve three compulsory purchase orders on cottages in listed buildings have not been complied with.

Other wills, page 16

Books cover for cocaine

James Isaacs, a petshop owner responsible for the largest postal import of cocaine into Britain, was jailed for six years at Wood Green Crown Court.

Almost pure cocaine, worth up to £120,000, was concealed in historical art books sent from Peru to Holden Avenue, Finchley, north London. The compressed drug was used to form the hard covers.

Isaacs, aged 31, of Lissenden Gardens, Kentish Town, was found guilty by a jury of two charges of being concerned in the import of cocaine between April and November last year.

proves successful the programs (computer software) designed for any machine in the new family would be compatible with other machines.

The move is a significant step by Acorn whose BBC microcomputer has been highly successful in schools and colleges since its launch in 1981.

There is no commitment by the partnership at this stage to design a new microcomputer. It

MPs call for doctors' pay review

By Richard Evans, Lobby Reporter

Britain's junior hospital doctors, who sometimes work a 100-hour week, should have their pay structure reviewed, a Commons report recommended yesterday.

The existing pay system, set up 10 years ago with special arrangements for the long hours of duty, has been plagued by difficulties and has not worked as intended, the public accounts committee says.

The Review Body on Doctors' and Dentists' Remuneration has commissioned a survey on junior doctors' hours of work from the Office of Manpower Economics (OME). But the all-party committee of MPs, which acts as Parliament's public spending watchdog, says it is surprised that the Department of Health and Social Security had not stepped in earlier to review pay arrangements.

The MPs call on the Government to review the pay structure in the light of the current OME survey and to monitor any changes.

Since 1975, junior doctors' contracts have required them to work a minimum of 40 hours a week, plus many extra hours as required to meet the needs of the health service.

But the rate of pay for "overtime" have varied between 10 per cent of basic pay for being "available on call" and 38 per cent for "standing by" or working in hospital.

Not only have there been constant problems over the definition of the two extra hours' categories, but the overtime worked has not been split equally between the two rates of pay, as originally planned.

In 1983-84, 98 per cent of extra hours were paid at the higher rate and only 2 per cent at the lower rate. That has cost an extra £34 million a year, the MPs say.

Rothmans to cut workforce

Almost 300 jobs are expected to be lost at Rothmans' three Co Durham factories because of a slump in cigarette demand.

Mr. Rothmans said the company's management strategy was to cut 300 jobs by the end of the year, a move which would be a big drop in demand in the UK, and the Middle East.

The company, with pre-tax profits of £121.9 million last year, a drop of £30 million in 1983, hopes the cuts can be made through voluntary severance.

The whole counter-attack in the tobacco industry to close its Newcastle-upon-Tyne cigarette factory, at a cost of 600 jobs next year.

TV serial sets sales record

The £5 million serialization of *Tender is the Night*, which began on BBC2 on Monday, has set a sales record, it was announced yesterday.

The television version of the F. Scott Fitzgerald novel has been sold to 17 countries and a further 25 are discussing a deal with the BBC.

Football club refused licence

Magistrates yesterday rejected an application by Cardiff City Football Club for an exemption from the Government's new alcohol restrictions at soccer grounds.

Police objected to a plan to serve "drinks in the Bluebird Club" at the Ninian Park Stadium for two hours before and one hour after matches.

Offer rejected

Shop-floor workers at the Vauxhall car plant in Luton yesterday rejected a pay offer which the company says is worth 4.5 per cent over two years.

Ancient puzzle

Gloucester museum staff, preparing for an exhibition to mark the 900th anniversary of the Domesday Book, are trying to work out how to play the so-called Gloucester Tables, a game with 30 beekgammontype playing counters and a board, uncovered in an archaeological dig at the city's castle.

Russians claim Britain's expulsion of spies linked to summit sabotage plot

From Richard Owen
Moscow

Officials at the Kremlin claimed yesterday that the "tit-for-tat" expulsions row between Britain and Russia was part of a Western campaign to worsen the East-West atmosphere and sabotage the US-Soviet summit in November.

Sources said Mrs Thatcher was known to be close to President Reagan, and that the Anglo-Soviet crisis could not be seen in isolation.

A series of East-West setbacks would enable Mr Reagan to cancel the summit if necessary and to withdraw from an encounter with Mr Gorbachev, which the Americans feared would work to the Soviet leader's advantage, it was said.

Amid controversy on whether Mrs Thatcher had "climbed down" and appeared "weakened" by ending the tit-for-tat spiral on Wednesday, British diplomats insisted that the episode had a purely Anglo-Soviet dimension. Moscow had started the dispute, diplomats

Second group

The Britons whose expulsion from Moscow was reported yesterday are Ian Sloane, First Secretary, and Cultural Attaché, Ian Wall, Communications, Squadron Leader Robert Hooper, Assistant Air Attache, Sgt Nigel Andrews, Air Attache's staff, Chief Petty Officer Paul Hughes, Naval Attache's staff, and Martin Nesbiky, Reuters.

said, and had left London little choice but to expel the growing number of KGB agents in Britain. KGB penetration of Britain had reached saturation point, and Moscow had over-reacted.

Some Nato diplomats agreed that Anglo-Soviet relations were part of the East-West nexus and could not be divorced from wider implications in the crucial period leading up to the November summit. "There are interlocking wheels", one Western diplomat said.

Many in Moscow think Mrs Thatcher was testing Mr Gorbachev's mettle and will-power. Mr Eduard Shevardnadze, the Soviet Foreign Minister, will soon have his first meeting at the UN with Sir Geoffrey Howe, his British counterpart, since the crisis erupted.

Soviet officials believe the tit-for-tat row was timed to follow other challenges to the Kremlin, such as the American charge that the KGB had used a dangerous chemical, or "spy dust", to track foreign diplomats in Moscow, and the recent testing of an anti-satellite system.

Russian sources expect further moves against Moscow in the run-up to Mr Gorbachev's visit to France in less than two weeks' time. Diplomats say the Kremlin will take the opportunity of the Paris talks to restore and polish Mr Gorbachev's image in the West as that on a reasonable and personable politician rather than headline Communist ideologue.

At a press conference yesterday, military and government officials accused Washington of preparing to make and deploy binary chemical weapons in Western Europe, including Britain. Officials refused to admit that Russia had its own chemical weapons programme, but said Moscow had the technological resources to produce such weapons if necessary.



An armed guard keeping a watchful eye on the crowd as Mr Rajiv Gandhi, the Prime Minister of India, arrived under unprecedented security at a state election rally in Punjab

Cosmonauts plan space station swap

Moscow (Reuters) - Five Soviet cosmonauts on board the Salyut 7 space station will work together for a week before one of the visiting three-man crew returns to Earth with the Salyut mission commander.

Western space experts said the swap was unusual because each crew is carefully selected for compatibility and trains for months together. But they said it tallied with the Soviet aim of keeping a permanently-manned station in space.

Pravda said Commander Vladimir Dzhanibekov, in space since June 6, would return to Earth with the visiting engineer Georgy Grechko next week.

Tass said it was the first change-over of its kind. It saved time normally spent on moth-balling the craft at the end of a mission and then re-activating it when a new crew arrived.

Thatcher meets refugees

Palestinians plead for their homeland

From Ian Murray, Amman

"If you're happy and you know it, shout 'We are'", sang the Children of the Martyrs. "We are", they shouted. Mr Denis Thatcher stamped his feet. Mrs Margaret Thatcher beamed and clapped.

The short scene in the squalor of the Bakaa Palestinian camp yesterday afternoon was grotesquely incongruous.

In the morning Mrs Thatcher had spent a long time in deep discussion with King Hussein of Jordan, Mr Zaid al-Rifai, the Prime Minister, and Crown Prince Hassan on the problems which had created the camp.

The talks made no recognizable progress, and for all their obvious enthusiasm for Mrs Thatcher's visit the Jordanians, in the politest possible way, are suggesting that Britain is not doing all it should to persuade the Americans to restart the peace process.

But Mrs Thatcher yesterday gave no sign of what, if anything, she is able to do. She has another meeting with King Hussein today in Amman and could well report to President Reagan on her visit before deciding on any plan of action.

One of her most enduring impressions of this visit to the Middle East is certain to be the hour she spent touring the refugee camp, where at least 64,000 people live in what they fondly believe is temporary accommodation.

When she arrived, Mrs Thatcher insisted on going on a

walkabout, while the Jordanian Army with its M16s on the flat rooftops prowled nervously up and down. The children in their filthy T-shirts were everywhere. Girls on the roofs squealed and pointed. In Britain Mrs Thatcher could expect such an enthusiastic reception only at the party conference.

She signed autographs, peered into grimy houses reeking of spice and dirt. "We love our country. We want Palestine," one heavily veiled woman told her.

In his speech of welcome, Dr Mabu al-Harith, said accusingly: "These camps are no substitute for our homeland. The people of these camps believe it is not only Israel that is responsible for their misery, but the whole world."

Mrs Thatcher said she marvelled at the cheerfulness of the children. "My purpose is to show you how determined the British Government is to secure a peace solution," she said. "We believe in settlement by peaceful negotiations, so that you may find more hope in life and a permanent home. We wish you well and we will do everything we can to help in these peaceful negotiations."

On the way back from the camp Mrs Thatcher stopped off for a presentation. By a huge ceremonial goatskin tent, rich with carpets and cushions, she was given a three-year-old mare called Salam (Peace) by Sheikh al-Lawzi.

UN chief hits at travel ban

From Zoriana Pysariwsky
New York

Acting under a congressional mandate, the US State Department has ordered travel restrictions on 400 workers at the United Nations Secretariat who are citizens of the Soviet Union or five other nations suspected of exploiting their UN status to pursue clandestine activities.

The restrictions which went into effect on Sunday and apply to nationals of Afghanistan, Cuba, Iran, Libya and Vietnam as well as the Soviet Union have been met with a strong public protest from Seher Javier Perez de Cuellar, the UN Secretary General.

To date governments of the citizens involved have steered away from making any public statement on the matter since ostensibly international civil servants are of concern only to the United Nations. But the State Department action, which imposes the same travel limitations on the Secretariat personnel as it does in the diplomats of the same six countries to a 25-mile radius of New York City, is not seen as auguring well for a quick warming of East-West relations and a kinder American disposition toward the UN as it celebrates its 40th anniversary.

Subdued start at Geneva

From Alan McGregor
Geneva

A distinctly subdued atmosphere marked the resumption yesterday of the third round of the American-Soviet negotiations on controlling nuclear and space weapons. This reflected the far from propitious climate of superpower relations on almost everything pertaining to their nuclear armories.

Any optimism voiced was decidedly weary. In reply to questions from reporters clustered outside the US disarmament delegation building, the chief Russian negotiator, Mr Viktor Karpov, said only: "If they (Americans) show willingness there will be progress. If not there won't be."

His US counterpart, Mr Max Kampelman, hoped some progress might be possible before the Reagan-Gorbachev summit here on November 19-20.

With the deadlock over the American "Star Wars" programme apparently even more intractable, following President Reagan's assertion that under no circumstances will this be a "bargaining chip" at the November summit, the new round will at best be directed to clarifying details of the two sides' positions, clearing the way, if not the air, for possible political decisions.

Kirk Douglas champions the abused elderly

From Michael Binyon
Washington

The actor Kirk Douglas, who plays an abused nursing home resident in a forthcoming film, "Has told a Congressional investigating committee that his research had found a "hideous, hidden horror" in the abuse of the elderly.

Testifying on Wednesday before the House Select Committee on ageing, he asked: "Who stands up for those whose wounds go untreated to the point where maggots, rats and roaches feed upon the body of the living man?"

He said the only way patients could contribute to good enforcement in nursing homes was by dying spectacularly.

A report by Representative Claude Pepper, the Democratic Committee chairman, and at 85 the oldest Congressman in Washington, said that one in every seven elderly people in nursing homes suffered physical or sexual abuse each year.

Mr Pepper's estimate of more than 400,000 abused elderly people was based on interviews with state nursing home commissions and officials throughout the country.

Several witnesses gave gruesome testimony of the squalid



Kirk Douglas: told committee of "hidden horror"

deaths of the elderly. One man said his father died of gangrenous bedsores after a 38-day stay in a nursing home. "The nursing home killed my daddy," he said in a voice choked with emotion.

Another witness said an Illinois nursing home was fined only \$1,000 after a woman died of bedsores. Other witnesses recommended to Congress that it change the law to allow the recipients of medical aid to sue institutions, pass a law requiring the reporting of abuse, and stop nursing homes from evicting or refusing to admit patients receiving state medical aid when their private funds were exhausted.

Kasparov's easy draw

By Raymond Keene

The sixth game of the world chess championship in Moscow was drawn last night in 27 moves, when both players opted to repeat the position.

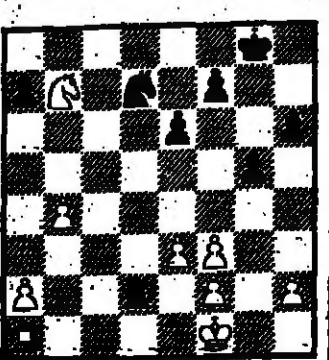
After 18 moves, the world champion, Anatoly Karpov, appeared to hold a slight advantage since he had pressure with knight and bishop bearing down on black queen's side pawns.

However, black's 19th move, rook to queen 7, was a confident sacrifice of a pawn which enabled Kasparov to break up white's active pawns and establish an active rook deep in the white position.

The score is now two wins to Karpov, one to Kasparov, and three games have been drawn.

Correction

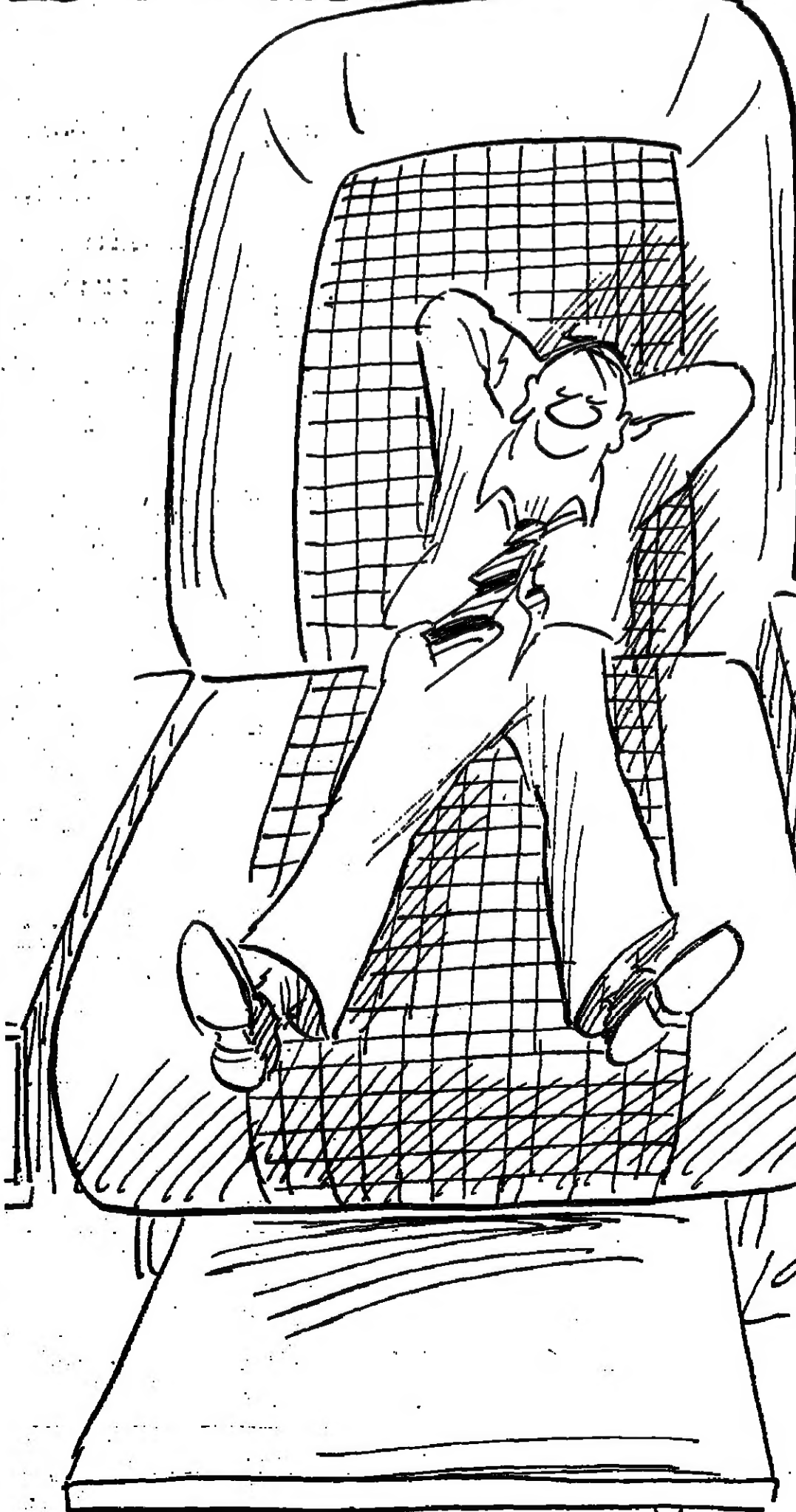
The report on the Tibury tournament yesterday should have referred to Viktor Korchnoi (Switzerland) as the joint winner.



Sixth game
White: Karpov, Black: Kasparov
Queen's Gambit Declined

1. P-Q4	2. P-Q4	3. P-QB4	P-Q3
4. P-QB3	P-Q3	5. B-N3	B-N3
6. P-Q4	P-Q3	7. P-Q4	P-Q3
8. P-Q4	P-Q3	9. P-Q4	P-Q3
10. P-Q4	P-Q3	11. P-Q4	P-Q3
12. P-Q4	P-Q3	13. P-Q4	P-Q3
14. P-Q4	P-Q3	15. P-Q4	P-Q3
16. P-Q4	P-Q3	17. P-Q4	P-Q3
18. P-Q4	P-Q3	19. P-Q4	P-Q3
20. P-Q4	P-Q3	21. P-Q4	P-Q3
22. P-Q4	P-Q3	23. P-Q4	P-Q3
24. P-Q4	P-Q3	25. P-Q4	P-Q3
26. P-Q4	P-Q3	27. P-Q4	P-Q3

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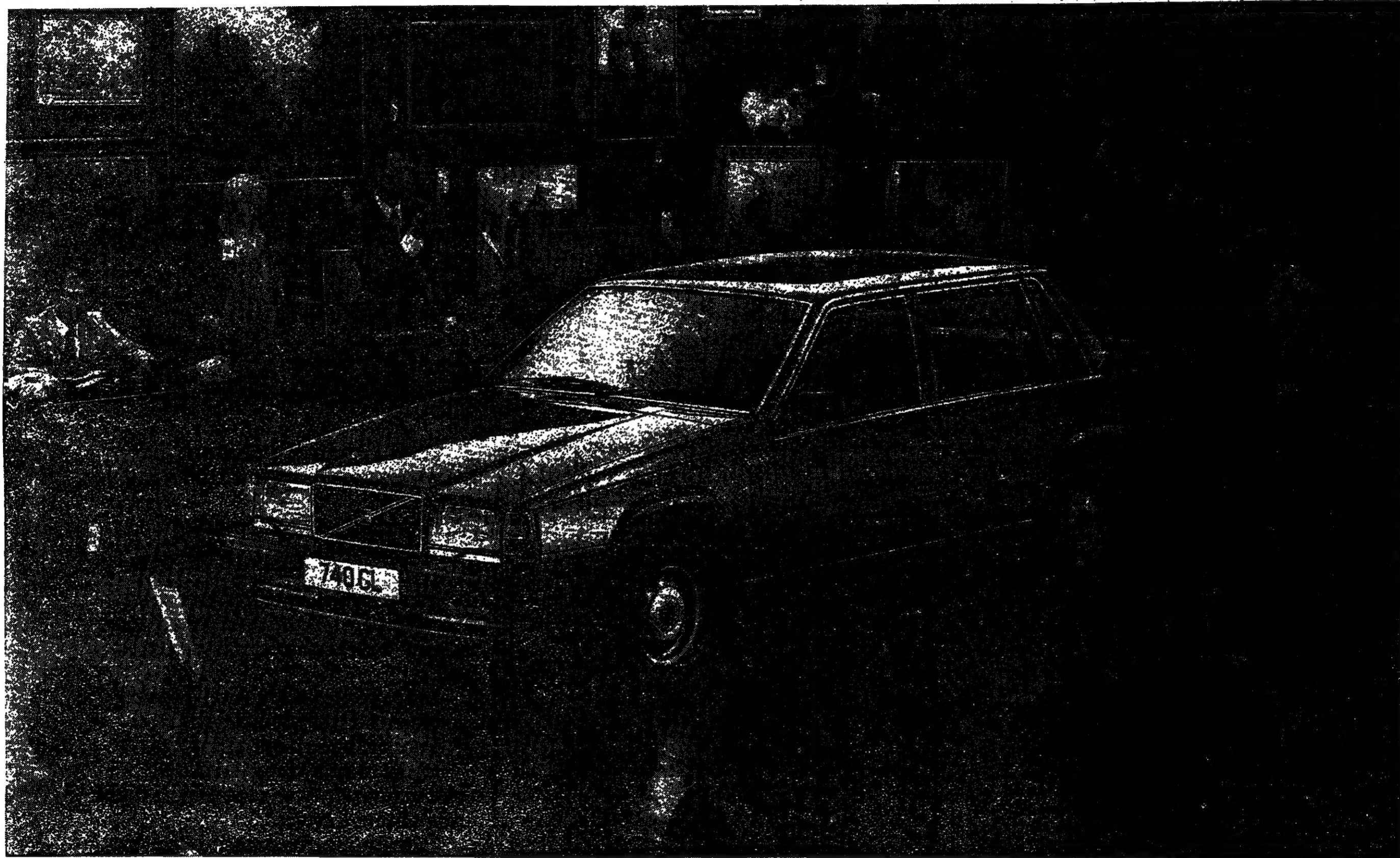
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South Africans admit violating pact with Mozambique

From Michael Hornsby, Johannesburg

South Africa's Foreign Minister, Mr. P. W. Botha, and General Magnus Malan, the Defence Minister, met a Mozambique Government delegation, led by Mr. Oscar Monteiro, the Minister of Internal Affairs, at the border town of Komatipoort yesterday to discuss violations of the Non-Aggression Accord signed by the two countries at the same place 18 months ago.

The previous night, Mr. Botha and General Malan conceded the truth of claims by Mozambique that South African Government and military officials had been in close contact with insurgents of the Mozambique National Resistance (MNR), also known as Renamo, over a period of 18 months up to July.

At yesterday's meeting the South Africans offered counter-evidence of the continuing presence in Mozambique of members of the banned African National Congress (ANC) according to a statement issued in Pretoria after Mr. Botha's return from Komatipoort.

The Mozambique delegation, in broad terms, accepted the South African account and the Nkomati Accord was violated, Mr. Botha admitted. But he insisted that the violations were "accidental" and that the "peace pact" with Mozambique had not been contravened, even though it might appear to have been on the face of it.

According to the South Africans, the MNR had been a part of an attempt by Pretoria to reconcile rival factions within the rebel movement, and persuade them to resume South African-mediated ceasefire talks with the Government.

The public revelations about Pretoria's links with the MNR came as South African air and ground troops continued for the fourth day an operation inside southern Angola, ostensibly aimed at bases there of Swapo guerrillas fighting for the independence of South African-occupied Namibia.

The Angolan Government, however, claims the purpose of the South African operation is to relieve pressure on the Angolan insurgents of Dr. Jonas Savimbi's Unita movement, whose rear bases in South-Eastern Angola have been under heavy attack from Government forces and their Cuban allies for a month and a half.

On Tuesday, the South Africans disclosed that an army "medical orderly" giving "humanitarian aid" to wounded Unita soldiers had been killed in a clash with Angolan Government troops the previous weekend, but they insisted that this had no connection with the operation launched into Angola a day later.

In Cape Town, the leader of the white liberal opposition in Parliament, Dr. Frederik van Zyl Slabbert, called for a public explanation of what was going on in Angola and said it would be "clear madness" for South Africa to become embroiled in another country's civil strife.

Last weekend Mr. Botha was summoned to Maputo by President Machel and shown a diary kept by a senior MNR officer, which was captured when the rebels' bush headquarters at Gomoio in Sofala province was overrun in a joint operation by Mozambique and Zimbabwean troops recently.

According to the entries, the South African Army established radio links with the insurgents, built them an airstrip, made nocturnal airdrops of arms and other supplies, and ferried MNR officers in an out of Mozambique, mostly by air but once by submarine.

The entries also disclosed that Mr. Louis Nel, then South Africa's Deputy Foreign Minister, and now head of a new information bureau, had made three clandestine visits to South African Army officers said to be opposed to the Nkomati accord. According to Mr. Botha the officers concerned denied that when questioned.

Right attacks Reagan for Machel's visit

From Michael Bishop, Washington

President Reagan yesterday held controversial talks with President Samora Machel, the Marxist leader of Mozambique, whose three-day visit here has angered conservatives and led to calls for the resignation of Mr. George Shultz, the Secretary of State.

President Machel, whose country has signed a treaty of friendship with the Soviet Union, has been moving away from the Soviet Union towards a pragmatic relationship with the West in order to get Western aid to repair his country's economy ravaged by famine and internal strife.

Mr. Shultz has encouraged this, and the State Department cites Mozambique's peaceful co-existence agreement with South Africa as a tangible result of the US policy of constructive engagement in southern Africa. To Washington's embarrassment, however, the South Africans have now admitted

breaking the agreement with Machel not to aid the rebels fighting his Government - an issue he has been discussing here since Tuesday.

An Administration official said its policy was to move Mozambique towards a "more genuine non-alignment" away from an outright Soviet embrace. This year the US is giving Mozambique \$40 million (\$30 million in aid, of which about \$13 million are for development and the rest for disaster relief and emergency food).

American conservatives, who want the US to support the anti-Marxist guerrillas in Mozambique, have fiercely denounced the visit and President Machel's human rights record. Five conservative Senators were among those who wrote to Mr. Reagan saying President Machel had no intention of leaving the Soviet camp, and was giving that appearance simply to obtain Western aid.

Uproar over Pakistan 'guillotine'

Islamabad (Reuters) - Pakistan's National Assembly closed in uproar yesterday after General Zia ul-Haq's Government cut off discussion on a Bill approving the past eight years of martial law.

"We might decide to boycott the proceedings if the Government tries to steamroller this Bill through," said a spokesman for independent members after the session turned into a shouting match and the Government closed it by a voice vote.

Independent group spokesman Razi Saifullah Khan told reporters that the Bill, central to President Zia's plan to lift martial law by January 1, would make army rule permanent by enshrining in the constitution all martial law orders.

There was uproar in the 237-member assembly when the Government moved to cut off discussion on the admissibility of the Bill. Several members loudly accused the Government of strong-arm tactics.

The controversy over the Bill has turned into an embarrassment for President Zia's chosen civilian Prime Minister, Mohammad Khan Jinnah, who wants it to be passed by more than just the Government's overwhelming majority in the assembly.

Western diplomats speculated that President Zia had taken a tough line on the Bill to have his past actions approved by the assembly before he leaves for West Germany and the United States in mid-October. He is due to address the United Nations General Assembly in New York.

Girl dies as third blast hits Tehran

Tehran (Reuters) - A girl aged two was killed and 36 other people were injured, eight of them badly, when a bomb exploded in a crowded bus terminal in the Iranian capital yesterday, the newspaper Kayhan reported.

The bomb was hidden in a bag beside a water fountain. The national news agency IRNA said police estimated the weight of the device at 15lb. It was the third explosion in Tehran in nine days.

Spectrum, page 12

Quake deaths

Jakarta (Reuters) - An earthquake in Indonesia's jungle province of Irian Jaya killed 10 people and badly damaged houses and government buildings, the official Antara news agency said.

Crew rescued

Suez City, Egypt (AP) - A Saudi Arabian ferry rescued two French and two British citizens from their stalled yacht in the Red Sea. Their names were not given.

Drug sentence

Colombo (Reuters) - A Sri Lankan court jailed a 26-year-old Austrian for 10 years and fined him about £1,500 for drug trafficking.

Bus crushed

Warsaw (Reuters) - Six people were killed and 14 were injured in Olstyn, northern Poland, when a bus was crushed between two trains.



Professor Richard van der Ross, rector of the University of the Western Cape, and colleagues leading a march of 3,000 students and staff yesterday to demand the return of detainees and the lifting of the state of emergency in South Africa. The march was halted by the police and troops.

Plessey denies secret deal with Pretoria

The Plessey electronics group yesterday dismissed allegations that it floated a United Nations embargo by selling a \$48 million air defence radar system to South Africa in a secret deal code-named Rodent. (Christine Toomey writes).

The company says the equipment was supplied to South Africa "as a civilian air traffic control system, sold in the seventies, with the full approval of the British Government". It refused to comment on reports that the system had been modified for military use.

Two whites to hang for raping black girl

From Ray Kennedy, Johannesburg

Two young whites who raped a pretty black woman and then locked her in the boot of her boyfriend's car and burnt her alive were sentenced to death by hanging yesterday. They were found guilty of murder and rape, both of which carry the death penalty in South Africa.

Their five-week trial at Klerksdorp in south-western Transvaal ended in disorder as Mr Justice P. J. Schabert announced that there were no extenuating circumstances for the "cold-blooded murder" of Ginny Goisone, aged 21, by Schalk Burger, aged 20, and George Scheepers, aged 21.

Their mothers screamed hysterically and Scheepers' young wife, a mother of two children, collapsed.

Outside the courtroom a crowd of blacks from Klerksdorp's Joubertin township watched impassively as she was being taken to hospital on a stretcher and murmured: "They deserve to die".

Sentence is expected to be passed today on Daniel Durandt, aged 19, and Jacobus Mathysen, aged 20, who have also been found guilty of robbery and rape. If they go to the gallows they will be the first whites to be

hanged for the rape of a black in South Africa since 1910. Last year, 113 people were hanged - two of them whites - according to figures given to Parliament. Between 1982 and 1984 a total of 94 blacks were executed for crimes of violence against whites and one white for violence against a black.

So far this year 76 people have been hanged, one of them a white.

The court had been told that Miss Goisone had been sitting with her fiancé, Mr Jacob Wessie, aged 26, in his car outside Joubertin township one

evening last February when Scheepers rapped on the window with a gun, later found to be a toy replica, and said: "Police." He said they were looking for the car and ordered Mr Wessie into the back seat.

Durandt also got into the back and held the gun at my head. Scheepers drove to a deserted spot and said: "Who will start with the girl?"

Durandt volunteered and started dragging Miss Goisone out of the car. "The seatbelt was fastened and I loosened it," Mr Wessie said. "She looked at me. I will never forget that look."

Americans to get Pravda in English

From Trevor Fishlock, New York

Pravda, the daily newspaper of the Russian Communist Party, is to be published in English in the United States.

It will be a faithfully-translated full-text version of the original, with the same photographs, and will be printed on a similar grade of paper with the masthead in an Anglicized form. It will be a private enterprise publication and will sell on subscription at \$360 (£474) a year.

Mr Charles Cox, who owns Associated Publishers of St Paul, Minnesota, has hired a team of translators. He said yesterday he would begin daily publication this autumn, with his English version being available about 10 days after the Russian original.

"We are getting good responses from libraries, universities, government agencies, business and individuals," he said. "I think Americans are well aware of the importance of the relationship with the Soviet Union."

Mr Cox has not sought Russian permission. He has never been to Russia, but saw an opportunity to meet a demand for information on Russian affairs.

In Russia *Pravda*, meaning truth, has a print run of more than 10 million copies daily and is published every day of the year.

Then John admitted he hadn't slept with his micro-computer for months.

Poor John. It was incompatibility. A few months ago we both bought micros for our businesses. I chose the new Triumph Adler Alphatronic. He was seduced by a rather more obvious name.

Life in pieces

My Alphatronic came complete, a perfect marriage of everything I needed. All the essentials others seem to regard as extras were included as standard, neatly contained in one perfectly designed machine.

Not so John's ill-fated match. His life was, quite literally, in pieces.

He found he needed a separate interface card for every extension he had to make. They were numerous, even including an expansion card for colour and yet another for graphics.

Every time he used an interface card, he used up a precious slot to put it in. Soon, all the slots were used up. So, he couldn't expand anymore.

Endless arguments

Then, things started to go wrong, and because all his extensions came from different places, he had to argue with dealer after dealer to get them put right.

I gently reminded him that life with the Alphatronic presented no such headaches, affording me a single source of support from one, highly-knowledgeable dealer.

What's more, because it's so well-endowed to start with, the Alphatronic has many more



expansion possibilities. I recently added Prestel and a tape-streamer, (which records a whole day's work in twenty minutes), with no trouble at all.

John groaned, defeatedly.

Same old grind, every day

Apart from processing information up to three times faster, thanks to the powerful new Intel 80186 processor (a true 16-bit chip), my Alphatronic also warms up in seconds, rather than the two tedious minutes John's machine takes.

And whereas John says his disc-drives sound like an old washing machine, my Alphatronic is blissfully quiet in comparison.

Irresistibly beautiful

I was always attracted by the Alphatronic's elegant appearance. Ergonomically designed, it's as pleasant to work with as it is to look at. With a keyboard and a screen that are both highly

developed yet simple to use. Just what you'd expect knowing that Triumph Adler is part of the design-conscious Volkswagen Group.

John's choice, on the other hand, left a lot to be desired in this respect.

He's paid the price

On top of everything else, John now has to face the fact that he's paid over the odds for a computer that was always incapable of delivering what he bought it for. Any of the four Alphatronic models, with their different capacities, would have more than satisfied his needs from the start. And any of them would have run all the IBM compatible software he could possibly need.

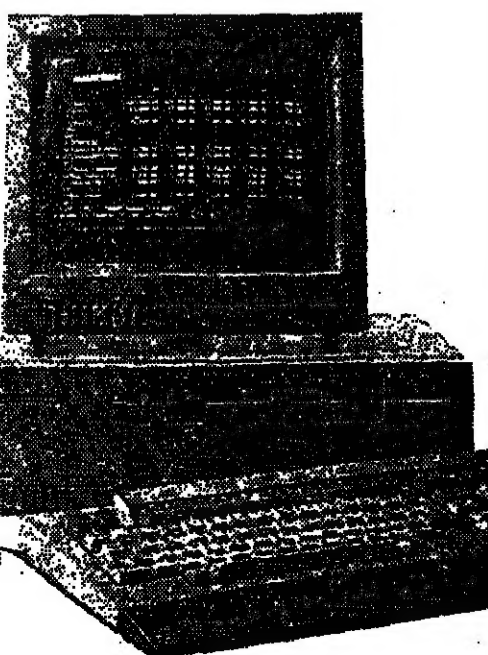
So, John bought his machine to save money, but in the long run, it's really cost him. No wonder he wasn't sleeping. I bought him

another drink and gave him an Alphatronic brochure to read on the train home.

For your, free, full-colour brochure on the new Alphatronics, simply send your business card or letterhead to:

TRIUMPH ADLER (UK) LTD, FREEPOST, LONDON EC1 1AB. Or call 01-250 1717.

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Thousands arrested Bolivia declares state of siege

La Paz (Reuters) - The Bolivian Government declared a state of siege yesterday and arrested thousands of trade unionists in an attempt to break a 16-day-old general strike.

The Interior Minister, Señor Fernando Bartolomé, told Reuters the Government had taken the action because of the upheaval the strike had caused.

Señor Bartolomé said provincial authorities had been ordered to impose a 24-hour curfew. He said heavily-armed troops had arrested thousands of workers yesterday morning, including the country's top labour leader, Señor Juan Lechin, after they went on hunger strike to protest against government austerity measures.

The Government of President Víctor Paz Estenssoro, which took office only last month, devalued the peso by about 95 per cent and froze public sector wages on August 29 in an attempt to curb the inflation rate - now over 14,000 per cent.

Troops and police were deployed throughout La Paz yesterday and armoured vehicles guarded the main square, where the government and congress buildings stand.

An Interior Ministry communiqué said the Government took the extreme measures because of increasing provocation and acts of sabotage "by known agitators under orders from abroad".

President Paz, who took office on a pledge to halt Bolivia's steep economic decline, declared the general strike illegal hours after it began on September 4.

Threat to wipe out Zapu

From Jan Raath, Harare

Mr Enos Nkala, Zimbabwe's provocative Minister of Home Affairs, has announced his intention to "wipe out" Zapu, the country's main opposition party, within the next few months. His statement was the most belligerent against Zapu since his appointment as law and order chief in July.

Speaking in the Senate on Wednesday, Mr Nkala said recent events were "just warning lights... to say here we are coming, and we have not yet opened full blast to deal with the dissidents' [guerrillas] leadership".

The brief detention of Mr Joshua Nkomo in Harare on Tuesday was the latest in a series of police actions against Zapu, which the Government constantly accuses of backing guerrillas who have been operating in the western provinces of Matabeleland for the past three years.

"We should also hit the dissidents at their very roots, and that root is Zapu and Zapu leadership", Mr Nkala said.

Minister refuses to quit over spy case

From Frank Johnson
Bonn

Herr Friedrich Zimmermann, the West German Interior Minister who refused to give permission for telephone taps and other checks on the Chancellor's secretary who has defected to East Germany, has no intention of resigning yesterday.

Herr Zimmermann was said to be working as normal in his ministry, and was saying nothing. But his attitude seems to be that the commission which considers counter-espionage requests for permission to carry out surveillance on private citizens had ruled against it in this case - and who was he to reject that advice?

One responsibility of the commission, which is headed by a lawyer, is to balance the rights of the citizen against the claims of security. The counter-espionage officials' suspicions must be firm. On a less elevated level, Herr Zimmermann's resignation would make matters difficult for Chancellor Kohl. The Chancellor was present at the last meeting which discussed the case and accepted the advice that the secretary, Frau Herta-Strid Wilner, and her husband, Herr Herbert, should not be placed under surveillance.

But the Social Democrat opposition leader, Herr Hans-Jochen Vogel, continued to demand Herr Zimmermann's resignation.

But Herr Zimmermann is at the moment enjoying the protection afforded by his being one of the placemen of Herr Franz-Josef Strauss's Bavarian Christian Social Union (CSU) in the Government. Herr Strauss is already making much trouble for Herr Kohl,



Herr Brandt and his wife, Brigitte, in East Berlin, his first visit to East Germany since he resigned as Chancellor.

with accusations of weakness and incompetence, and would make more if one of his men were made a scapegoat.

So West German voters were enjoying the spectacle of an Interior Minister from the normally less squeamish CDU invoking civil liberties against Social Democrat insistence that phone taps on checks should

have been slapped on the Willners long ago.

An added anomaly was that yesterday Herr Willy Brandt was on his first visit to East Germany since he was forced to resign as Chancellor in 1974 after the discovery that one of his close assistants was an East German agent.

Leading article, page 15

Generals defiant as life terms are demanded

From Douglas Tweedale, Buenos Aires

General Jorge Videla, who was president of Argentina until 1981, stood up slowly and stared round at the courtroom gallery which had erupted into shouts of "bravo" and "mar-deje" when the federal prosecutor, Señor Julio Strassera, demanded life imprisonment for him and four other former military leaders.

General Roberto Viola, another former president, had a more visceral reaction to the pandemonium that broke out when the prosecution finished its case on Wednesday. "Sons of the whores that bore you," he spat out at the public before filing out of the courtroom.

Judge Leon Arslanian, president of the six-man tribunal hearing the unprecedented human-rights trial of the former military leaders, made a vain attempt to restore order by shouting "silence" and "clear the courtroom" over the clapping and cheering for Señor Strassera.

It was an emotional end to the most dramatic phase of the public hearings, which began on April 27. Comparing the nine defendants to the "tyrants who lived off blood and pillage", which Dostoevsky in his *Idiot* condemns to "eternity in a river of boiling blood in the seventh circle of hell", the prosecutors requested the maximum penalty.

For those of us who have had the painful privilege of knowing it intimately, this trial has been a sort of descent into the shadiest regions of the human soul. Señor Strassera said.

After a consultation that took five full days, the court

Stassera formally charged General Videla with responsibility for crimes committed by his subordinates including 83 counts of aggravated homicide, 504 counts of kidnapping, 254 counts of torturing, 94 counts of robbery, 180 counts of falsifying public documents, and dozens of related charges.

The other defendants were similarly charged, with the bulk of the crimes being attributed to the three-man junta headed by General Videla which ruled from 1976 to 1981.

Life imprisonment was requested for General Videla, General Viola, Admiral Emilio Massera, Admiral Armando Lambruschini, and the former Air Force chief Brigadier Osvaldo Agosti.

For Brigadier Omar Graña and the former President Leopoldo Galtieri, who is still awaiting sentencing in a separate trial for his role in the 1982 Falklands war, the prosecutors requested 15 years' imprisonment.

Admiral Jorge Araya and Brigadier Basilio Lami Dore, fellow members of General Galtieri's junta during the war, will receive 12 and 10 years respectively if Señor Strassera has his way.

Lawyers for the accused said they were not surprised at the prosecution's requests. "It goes along with what they have been saying all along," said Señor Andres Maurian, one of General Videla's four defence attorneys. "This has been a political show trial, and [the crowd's] outburst proves it is a circus as well."

The defendants have eight days to prepare their response. The hearings resume next Friday.

French view on Falklands dispute pleases Alfonsín

From Diana Geddes, Paris

President Alfonsín of Argentina yesterday signed an "agreement of economic, industrial and financial co-operation" with France after talks with M. Laurent Fabius, the Prime Minister, during his three-day state visit.

The previous evening, Señor Alfonsín met President Mitterrand, followed by a dinner given in his honour at the Elysée Palace, at which the talks were described by both sides as "excellent". The meeting had been "very warm and friendly", the official Elysée spokesman added.

The Argentinean leader said he was pleased by M. Mitterrand's "entirely correct" position on the problem of the Third World debt, and by his comments on the need for a negotiated settlement to resolve the Falkland Islands dispute.

"There can be no solution outside a negotiated settlement", M. Mitterrand is reported to have told the Argentinean leader. "To refuse to accept this will only delay the process of peace."

Earlier, Señor Alfonsín and Mr. Neil Kinnock, the British Labour Party leader, put out a joint statement in which they said they hoped for an opening of negotiations "to explore the means of resolving the outstanding problems between the two countries, including all aspects of the future of the Falkland Islands". All reference to the contentious issue of sovereignty was carefully avoided.

Both agreed on the importance for the islands' inhabitants "of effectively guaranteeing the preservation of their customs, their ways of life and traditions, as well as the respect for forms of administration, education and social and economic organization".

But the two differed on how that would be achieved.

Britons vote UN a flop in anniversary poll

By Henry Stanhope

As the United Nations celebrates its 40th anniversary, a national survey has shown that only 15 per cent of people in Britain and 11 per cent of those in Parliament think that it is doing a good job.

As many as 83 per cent of parliamentarians and nearly half of the general public considered the UN to be ineffective in settling international disputes, according to two polls conducted for FARE International Affairs, an educational trust.

Four per cent of the people quizzed in the nationwide poll had never heard of the UN and about one in three women and young people aged between 16 and 24 did not know enough about it to answer a single question.

But three out of four parliamentarians and more than half the general public thought that the influence of the UN should be strengthened and Labour MPs looked more kindly on it than did their Conservative opponents.

Hostess fights for job after flight of fancy

Auckland (Reuters) - An Air New Zealand hostess dismissed for "sexually uninhibited behaviour" on a plane while off-duty has reached an out-of-court settlement in her attempt to get her job back.

The airline accused the unidentified hostess of having sexual intercourse with a passenger in an airliner lavatory, kneeling a purser in the aisle and then trying to fondle him, and sitting provocatively on a sleeping first-class passenger.

"I don't remember anything," the hostess, who was off-duty on the flight between Auckland and Honolulu on July 12, told the court hearing.

Her lawyer blamed her behaviour on a combination of sleeping pills prescribed to combat jet lag and drinking three glasses of champagne.

One passenger told the hearing that the hostess gave him a glass of champagne, then returned and said "Let's go down the back". The unidentified passenger said they went into one of the rear lavatories and had sex.

Premier denies approach to accused judge

From Stephen Taylor, Sydney

The trial in the New South Wales Supreme Court of a judge charged with attempting to pervert the course of justice took a surprise turn yesterday, when Mr Neville Ryan, the state Premier, went into the witness box to deny allegations which have implicated him in the affair.

Four days of testimony in the trial of Judge John Foord have raised a complex web of claims linking the case with the trial of Justice Lionel Murphy, the High Court judge sentenced to 18 months' imprisonment on September 3.

Murphy, who was Australia's third-highest judicial officer, was convicted on July 5 of essentially the same charge to which Judge Foord has pleaded guilty - attempting to pervert the course of justice in relation to a criminal proceed-

ings against Mr Morgan Ryan, a prominent Sydney solicitor.

The prosecution case so far in the Foord trial rests on evidence by Mr Clarrice Bries, the New South Wales Chief Magistrate, that the judge arranged a meeting with him at a Sydney club in March, 1982, at which he allegedly said: "Neville wants something done for Morgan Ryan."

Mr Bries was also a leading prosecution witness in the Murphy case, during which he testified that Murphy had made approaches to him about Mr Ryan to whom he referred as "my little mate".

The Territorial Army extends its thanks to Britain's employers.

The Territorial Army extends its heartfelt thanks to all those employers, large and small, who allow their employees to participate in Territorial Army training.

Particularly those who took part in Exercise 'Brave Defender' last week.

Without your co-operation, we would not have been able to carry out an exercise of vital importance to Britain and NATO.

As you may already know, the Territorial Army makes up one third of the nation's land forces.

And we're expanding. Our role, in the event of war, would be to fight alongside the Regular Army.

So you can appreciate how crucial it is for us to spend our spare time training up to their standards. Most of this work is done during weekday evenings and weekends.

But we also need to carry out full scale exercises. Last year, it was the highly successful Exercise 'Lionheart' in Germany. This year, 'Brave Defender' in Britain.

Naturally, we believe the Territorial Army exists in the broadest sense to serve the nation. But we also know, from talking to employers, that many of you benefit directly from the kind of experience and training that the Territorial Army gives to your employees.

If you are an employer and would like to know more about the Territorial Army, write to us for our free booklet.

The Territorial Army

I am interested in finding out how our company can help the Territorial Army.

Please send me a copy of "The Employer's Guide to the T.A." Complete the coupon and send it to: Major Geoffrey Woodard, D.O.P., T.A. Liaison Officer, Centre Block, Chelsea, London SW3 4SG, or contact your nearest T.A. Liaison Association (in the phone book under "Army").

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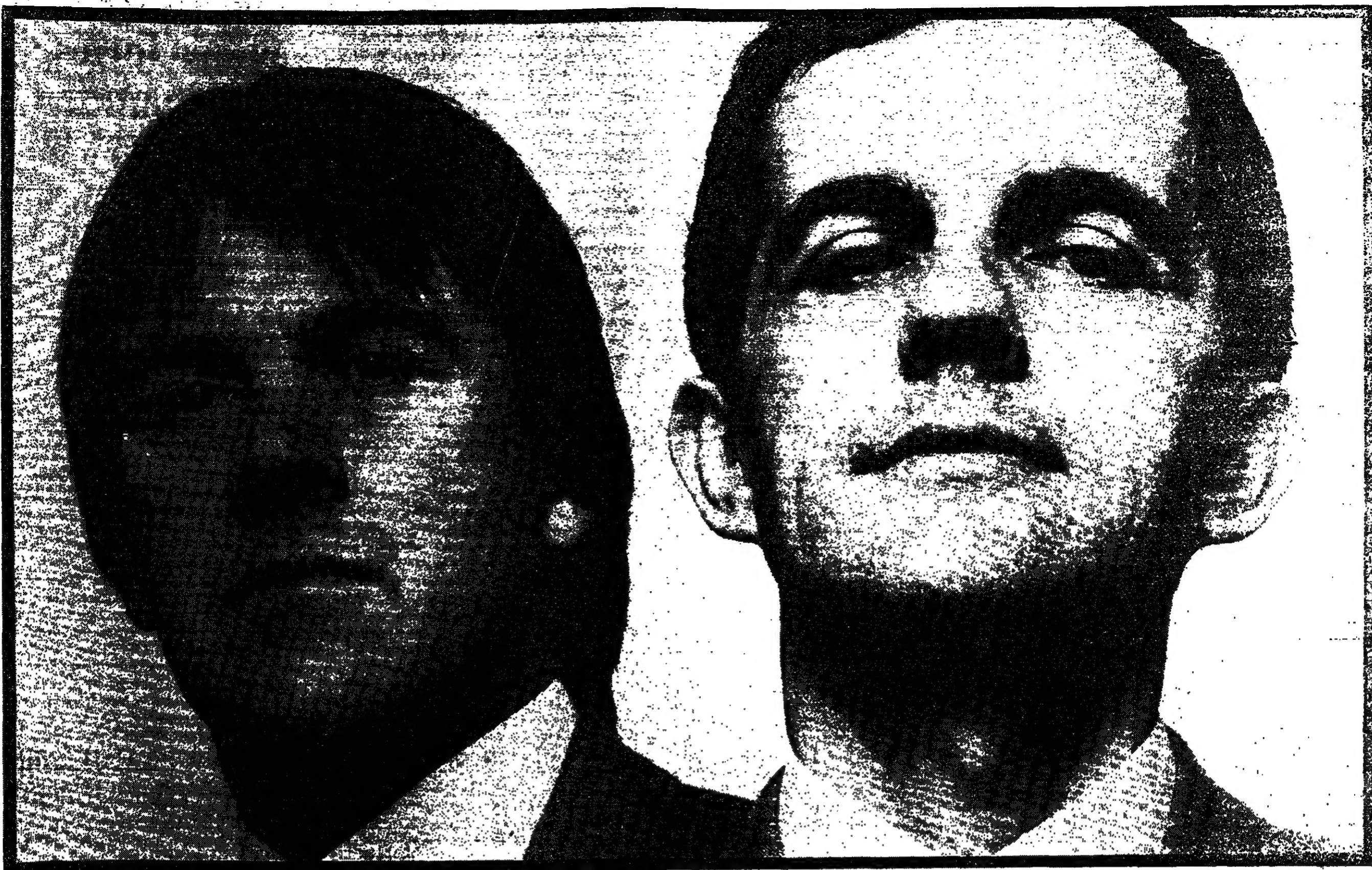
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These two told us what we could do with our components.

On the left is Stuart Wood and on the right Brian Passmore.

We first met them at the National Exhibition Centre over a year ago.

"Excuse me," Stuart said, "but we are very interested in your equipment and we have some ideas..."

We pricked up our ears.

Stuart and Brian, two electronic engineers running their own control systems manufacturing company in South Wales, pointed out that our frequency inverters could be combined with other components in an enclosure to create a useful new product.

We liked what they said and the designs they produced.

Today we are doing business together.

We tell you this because we want to tell you something else.

Mitsubishi Electric (UK) is a British company meeting British needs.

This financial year our turnover will exceed £100 million. We supply products for consumers, for industrial systems, for offices and shops, and even for other high-technology manufacturers.

And we are terrific exporters.

Last year our factory at Haddington,

20 miles from Edinburgh, where we make colour television sets, exported no less than 20% of its production to West Germany, Switzerland, Benelux, Portugal, France and Ireland.

This factory is now the town's major employer.

Then there is our newer factory producing VCRs at Livingston.

Here we employ 200 workers, nearly all of whom are recent school-leavers. Half of our 1984 production was exported and this year we're looking for that to increase to 66%.

Not a bad record, is it, for a company that has existed in Britain for only eight years?

From our very first weeks in operation we have pursued a three-part approach.

To import what the British market wanted, as opposed to what we wanted to import.

To invest in manufacturing facilities which make economic sense and in British staff (currently over 95%) and in British know-how.

And to offer ourselves as partners in co-developments which are profitable to British businesses as big as British Telecom

International and as small as that run by Stuart and Brian, as well as to ourselves.

Our chairman, Sir Peter Parker, puts it this way: "High technology has made the world a global village... this village will only prosper if people realise that fact and grow from it."

Of course, we are part of Mitsubishi Electric Corporation, one of the world's leading and most experienced electrical and electronics manufacturers.

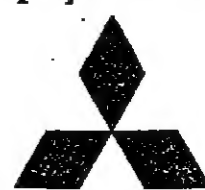
Mitsubishi produce everything from semi-conductors to satellites, from car radios to computers.

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It's yours free for the asking. Just write to Steve Crowther, Mitsubishi Electric (UK) Ltd, Hertford Place, Maple Cross, Rickmansworth, Herts, WD3 2BJ.

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Warsaw rules out cash deal by Walesa with church

From Roger Boyes, Warsaw

Mr Lech Walesa's Nobel Peace Prize money, at present in a Western bank account, should not be paid into a controversial church plan to aid Polish private farmers. Government negotiators have told the Catholic leadership.

But the rejection of the offer, worth some £125,000, was counterbalanced by two surprise concessions on the part of the Jaruzelski Government, concessions that should at last give life to the ambitious church scheme.

The church's idea is that funds gathered in the West - from European (though not British) and United States governments, from Catholic episcopates abroad and from private donors - should be funnelled, with minimal interference from the communist Government, into helping private farmers feed the Poles.

After winning the 1983 Nobel Peace Prize, Mr Walesa immediately declared his readiness to make over the money to the fund which so far has promises of about \$25 million (£19 million), enough to begin the first pilot stage.

But the Government has been stalling for almost a year, apparently nervous about the ideological problems of having uncontrolled dollars flow into the hands of farmers outside the socialist agricultural sector. Last week, the patience of the Primate, Cardinal Jozef Glemp, appeared to have reached breaking point. He called in the church negotiators and told them, according to a senior church source: "We owe it to our Western donors to have clarity in the scheme. If the Government will not lift its objections, we will call off the fund and issue a communiqué declaring who exactly is respon-

sible for the decision." The comments were quietly relayed to the Jaruzelski leadership which broke out in a flush of anxiety. An open rift between church and state would jeopardize the carefully staged theatre of conciliation before next month's parliamentary elections.

When the Church negotiators arrived for talks in the Religious Affairs Ministry last Monday, they were greeted with ministerial smiles and hearty slaps on the back. The negotiating table was creaking with food, always a sign of impending deals.

General Jaruzelski, it emerged, has now decided to ease up on demands on firm control of the money by the Agricultural Ministry and will smooth away the main sticking point of whether imported farm machinery will be charged customs duties.

The Government made only two demands: That the fund should be declared for tax purposes and that "no Polish citizen" should be allowed to contribute to the scheme. That meant Mr Walesa and his Nobel Prize money. The church says they will consult the prize winner because it is up to the Solidarity chairman what he does with his money.

The church wants to press home its advantage as soon as possible and has called for another, perhaps final, round of talks before the end of the month in the hope that it will reach an agreement before the October 13 elections.

Apart from the elections, the other main factor in the sudden concessions from the Government appears to be the presence in Warsaw of an International Monetary Fund team. Poland is hoping to be readmitted to the fund.



Mick Jagger, the rock singer, and his girlfriend, Jerry Hall, the model, with the Duchess of Gloucester at a fund-raising for the National Art Trust of the United States and Great Britain at Sotheby's in New York.

Gandhi fails to break Tamil-Colombo deadlock

From Kuldip Nayar, Delhi

India has made little progress in overcoming the reservations of Tamil militants about the Sri Lankan offer to give more powers to district councils in the northern and eastern parts of the country, where Tamils are in a majority.

After the breakdown of the talks in Thimbu, Bhutan, between the Sri Lankan Government and the Tamils, Delhi took upon itself the responsibility of bringing round the Eelam National Liberation Front.

At first they were not even willing to come to Delhi to talk to the Indian Prime Minister, Mr Rajiv Gandhi, but after a great deal of pressure and persuasion they have met him. However they are not willing to budge from their demand for an autonomous Tamil state.

Mr Romesh Bhandari, who has replaced Mr G. Parthasarathy, a Tamil Indian civil servant enjoying the rank of Minister of State, has been in constant touch with the mil-

itants' representatives in Delhi for the past three days. But they maintain that they have no faith in the Government of President Jayewardene and that what he has offered is "too little and too late".

● COLOMBO: The Sri Lankan Government, while welcoming the front's assurances to the Indian Government about the observance of the ceasefire, has laid down eight conditions to make it effective (Vigitha Yapa writes).

The Minister of National Security Mr Lalith Athulathudali, told a press conference in Parliament yesterday that the guerrillas must stop bringing up men and materials from outside, carrying arms, setting off land mines, attacking security establishments, murdering innocent civilians, and damaging trains and other property.

The minister said that if these conditions were met there would be no difficulty in continuing with the ceasefire.

High earners stand to gain from Hawke tax package

From Stephen Taylor, Sydney

The Australian Government's long-awaited tax reform package, a product of months of negotiations with the trade unions and the subject at times of embarrassment to the Hawke Administration, was finally unveiled yesterday.

The central plank of the package, described by Mr Paul Keating, the Treasurer, as the most far-reaching tax reform in living memory in Australia, is a cut in income tax over the next two years which will substantially benefit those in high income brackets. The top rate will be reduced from 60 per cent to 49 per cent and will increase the take-home pay of those on the average wage of \$A22,000 (about £10,900) a year by around \$A6 a week in the next year.

At the same time a capital gains tax has been introduced, to the dismay of the stock market which lost \$A1.6 million on Wednesday in anticipation of the announcement.

In another controversial measure, fringe benefits such as meals, cars, accommodation and school fees have been made taxable. It was not just the business community which opposed this measure. As late as Tuesday backbench MPs were reportedly threatening to revolt if their perks were affected.

Mr Keating declared triumphantly yesterday: "The days of the free lunch are over. The tort (abuses) are over."

The Government has been unable to conceal however that the package represents a considerable watering down of its preferred plan, which had as its cornerstone a broadly-based 12.5 per cent consumption tax to compensate for big tax cuts. That was abandoned in the face of bitter union opposition at the debate of the July tax "summit".

Yesterday the Liberal Opposition described the package as "yet another backdown to the unions," although Mr John

Censure motion on pay-out fails

Sydney - Mr Bob Hawke, Australia's Prime Minister, yesterday survived a censure motion in Parliament amid growing controversy over severance pay to the former head of the Australian Bicentennial Authority (Our Correspondent writes).

Mr John Howard, in his first confrontation with Mr Hawke since being elected leader of the Liberal opposition two weeks ago, accused the Prime Minister of misleading the nation over a payment of almost \$500,000 (£248,000) to Dr David Armstrong.

Earlier, Mr Hawke admitted advising Dr David Reid, chairman of authority, to cry on the side of generosity in settling Dr Armstrong's severance, after concerns had been raised over his performance as chief executive. This appeared to conflict with Mr Hawke's assertion this week that the terms of the settlement had been entirely between Dr Armstrong and Dr Reid.

The censure motion was defeated on party lines, but further controversy over the authority's financial affairs seems inevitable.

Howard, the new Opposition leader, conceded that it was not without merits.

In fact the tax cuts are central to the Government's prices and incomes accord with the unions, the basis of present economic policy, which was extended for two years by agreement last week.

In return for tax cuts, the Australian Council of Trade Unions has agreed that next year's wage increases should be discounted by 2 per cent in line with the devaluation of the dollar.

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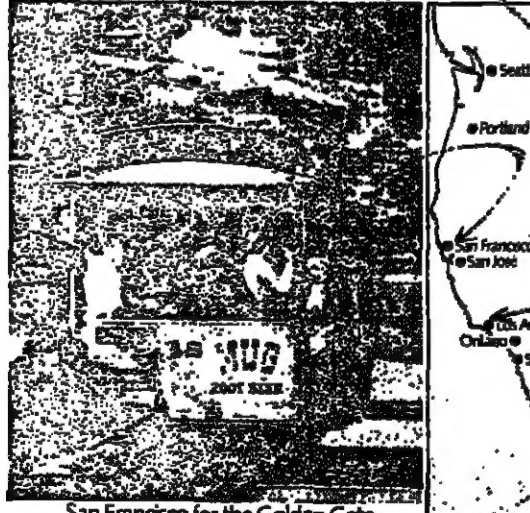
Las Vegas for the Grand Canyon.



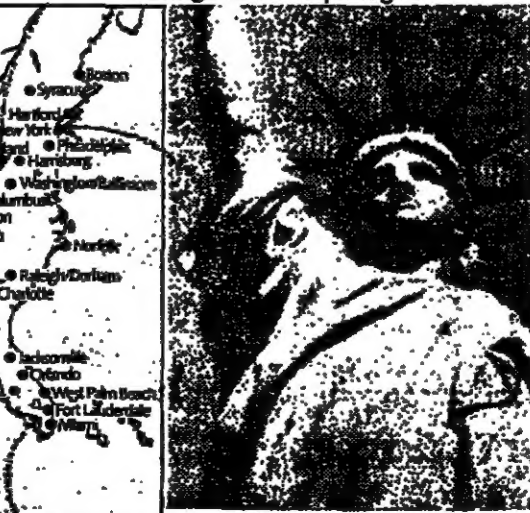
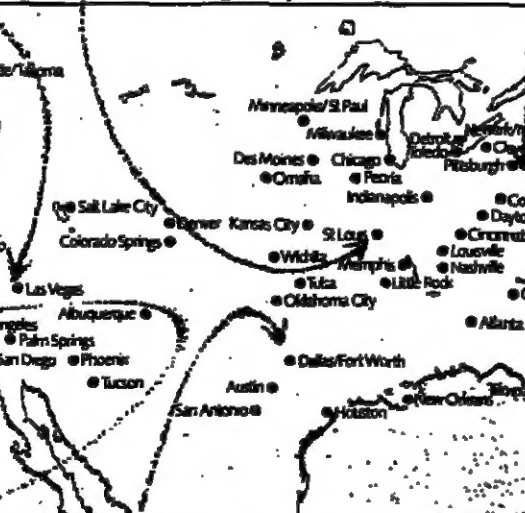
St. Louis - gateway to the West.



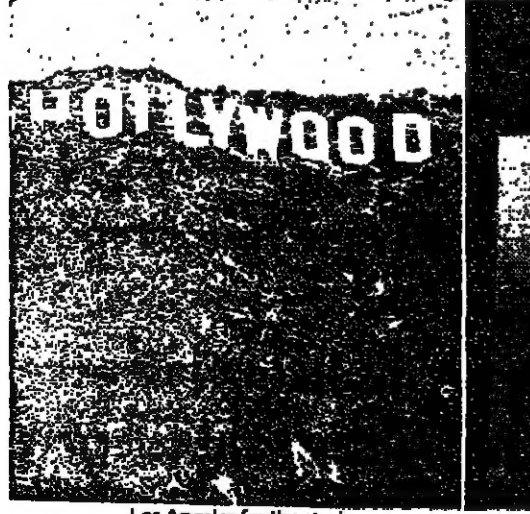
Washington for the capital sights.



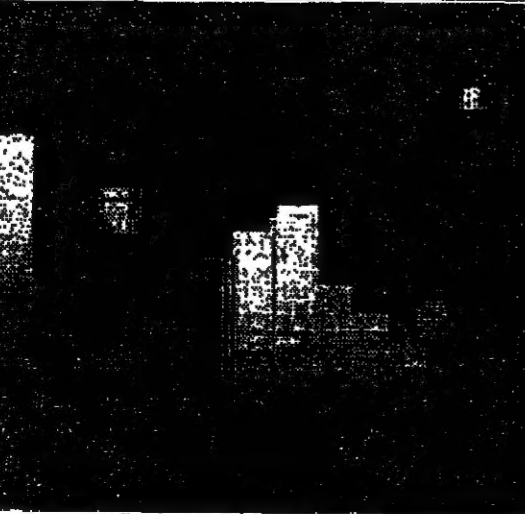
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Leading the way to the USA



Northern defence implications Arctic claim worries US

From John Best, Ottawa

Canada has suddenly become extremely jealous of its sovereignty over the vast frozen north, a sovereignty which is not universally respected by the rest of the world.

Its recent proclamation establishing sovereignty baselines around the entire expanse of the Canadian Arctic archipelago marks a shift to a far more assertive stance.

The shift has deep implications for northern defence - the area is of great strategic importance for both Canada and the United States - as well as, potentially, for international commerce.

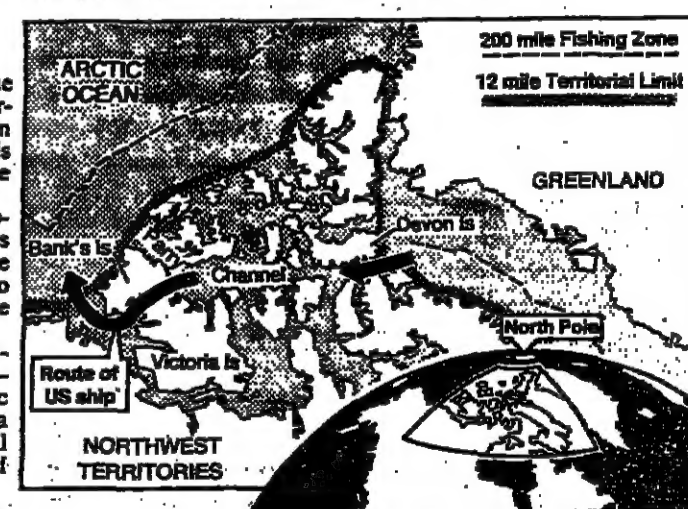
The External Affairs Minister, Mr Joe Clark, maintained the tougher line again last weekend in a speech in Halifax when he said that Canada had to lay claim to the Arctic now. The US and West Germany were both preparing for commercial navigation in the north. The Japanese, "with a keen eye to the development of oil and gas flows from polar regions", were working on "specialized tankers".

Mr Clark's statements underlined that the waters of the archipelago - actually, most of them are ice-clogged most of the year - are being increasingly eyed as commercial transport routes. Giant ice-breaking tankers are already being designed for the purpose.

The main potential artery is the Northern Passage, an ice-bound route from Lancaster Sound, just off Baffin Bay in the east, to the Beaufort Sea off Yukon territory and Alaska, in the west.

Canada has long claimed sovereignty over both the islands and the waterways of the 600,000-square-mile archipelago, but the US disputes this claim insofar as the waterways, including the Northwest Passage, are concerned. The US insists that the passage is an international strait.

Until now the two countries have been content to agree to disagree over the issue. However, the voyage this summer of



a US coastguard icebreaker through the Northwest Passage had the unintended effect of spotlighting the issue, as never before.

The voyage was made without Ottawa's permission, and touched off such a storm of nationalist criticism in Canada that the government was forced to respond. Its decision to establish baselines, designating the Northwest Passage and all other passages in the archipelago as internal Canadian waters, was the result.

The controversy has thrown new light on the long-mated question of Western defence vulnerability in the north.

Mr Clark's statement in the House of Commons announcing the baselines contained this passage: "Soviet submarines are being deployed under the Arctic ice pack, and the United States Navy in turn has identified a need to gain Arctic operational experience to counter new Soviet deployments."

He did not make it clear whether he was referring to missile-submarines or attack submarines, and he did not attempt to spell out the ramifications for Canada, except to say that it had "just come up to speed" in terms of effective control over its Arctic waters. His officials refused to elaborate.

What Mr Clark did say

probably amounted to the most explicit statement ever made by a Canadian Government about the presence of Soviet submarines in the north, although defence analysts have long suspected such a presence. They suspect American submarines operate there, too.

Canada itself is in the embarrassing position of not being able to do anything about it, either way. It has no nuclear submarines of its own - the only kind with enough endurance to operate under the ice pack. The only other means of monitoring intrusions would be a network of underwater sonar devices, and as far as is known, Canada does not have that either.

Canadian military aircraft conduct occasional "sovereignty" flights over the bleak Arctic ice a few times a year, and these are now to be more frequent. But it has no military ground presence in the north to speak of. In these circumstances US military concern about the Arctic, which is on the direct flight path of bombers and missiles between Russia and the US, is understandable enough.

In the wake of Canada's recent action, the two governments appear to be inching toward negotiations aimed at resolving their impasse over sovereignty. However, such an accord will not be easy to reach.



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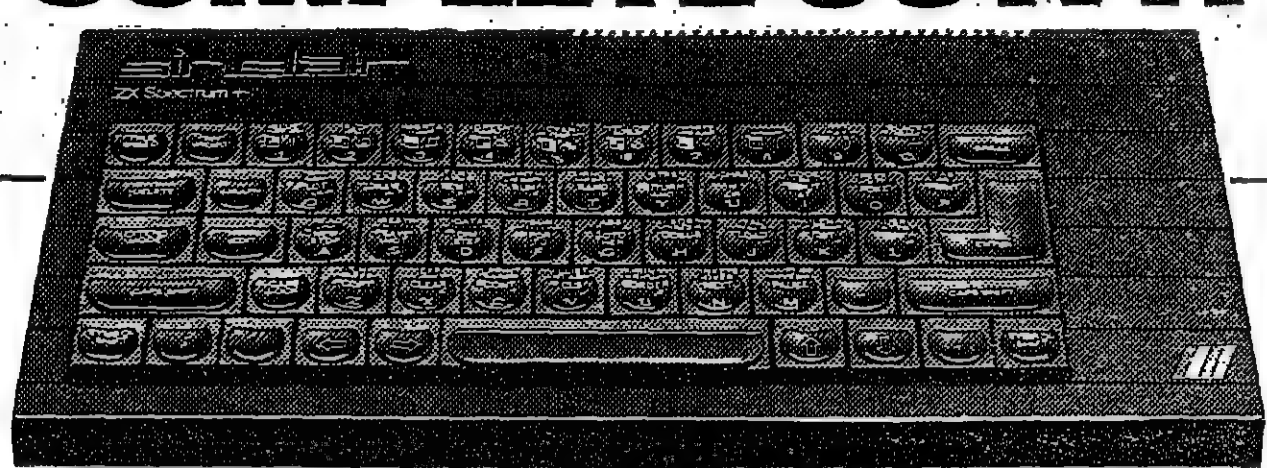
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SPECTRUM

William Kay goes behind the scenes of a high-finance drama

At 8.45 this morning a door will close in the thickly-carpeted corridor of Morgan Grenfell, the City merchant bank, and the daily council of war will begin to decide the next step in the £80m takeover battle by United Newspapers for Fleet Holdings, publisher of Express newspapers and Morgan Gramplan magazines.

Around that table, apart from at least one senior executive of United, will be a team of lawyers, stockbrokers, accountants and public relations advisers. The advice United will take most note of will be from George Magan, of Morgan Grenfell, one of the cleverest plotters in the increasingly ruthless takeover game.

Ten minutes' walk away, in a 1960s glass tower near Fenchurch Street Station, another meeting will be taking place today. It will be chaired by David Clementi, Magan's counterpart at Kleinwort, Benson, Lonsdale, the merchant bank which sprang to public prominence last year when it masterminded the share sale of British Telecom.

Clementi will have the same newspaper cuttings as Magan spread out in front of him. He and his team are advising Fleet on how best to fend off the United attack.

"We have to be alive to what is happening in the market each day," said Clementi, a self-effacing man in his mid-thirties who first became interested in merchant banking when he was reading philosophy, politics and economics at Christ Church, Oxford.

"Morning prayers, as we call them, help to make the team more cohesive, so that everyone knows where they stand," Magan explained.

The merchant banks are the City's master tacticians. When Dillons, the electrical shops chain, took over Currys this year they threw a party for Morgan Grenfell, the bank which had guided them through a contest in doubt until the last vote had been counted.

Takeovers can be bruising and long drawn-out. This summer's acquisition of Arthur Bell and Sons, the whisky firm, by Guinness the brewers was one such.

Merchant banks are the City's master tacticians

Raymond Miquel, who has been kept on by Guinness as Bell's chairman, described his scars to Ian Wooldridge, the *Daily Mail's* sports columnist, when they met at the Ryder Cup the other day. Wooldridge went away shaking his head in disbelief. "My humble advice is to stick to sport, a much cleaner business," he wrote afterwards.

The relationship between the merchant banker and his client is highly delicate. Both their reputations are on the line: a bid that fails is a black mark for the bank, and it can stop a budding tycoon in his tracks.

So both banker and client are in the business of picking winners. "You are advising on very important transactions for the people involved in them," Magan said. "Being successful has a huge impact on their existing business and their stock market rating."

A takeover bid is three months of solid work, coupled

Masters of the takeover game



with a lot of uncertainty and high-tension. You have to be the sort of person who lives through that during the day and still gets eight hours' sleep at night.

Until recently, companies used to stick with the merchant banks which helped them go public on the Stock Exchange and it was rare to move. But those old loyalties are fast breaking down.

United Newspapers - which owns a chain of magazines, including *Punch*, and local newspapers - came to Morgan Grenfell a year ago when the publishing group's chairman, David Stevens, saw the possibility of having a go at Fleet.

A key 15 per cent stake in Fleet was held by Robert Maxwell, who would be prevented from making a bid himself since he bought the Mirror Group in July last year.

United was too small to bid for Fleet then, but with Magan's help it bought Link House, the Exchange and Mart firm, in exchange for shares. Then in January it issued more shares to Maxwell in return for the Fleet stake. Stevens was poised to strike.

They had to react within a few weeks, when Lord Matthews, the chairman of Fleet, said he was having talks with Aitken Hume, an investment group run by Timothy and Jonathan Hume, two cousins related to the founder of the *Daily Express*, the late Lord Beaverbrook.

The first job of the Morgan Grenfell team was to make sure that Fleet and Aitken Hume did

not merge, because that would put Fleet out of United's reach. As big chunks of Fleet shares were held by fund managers who wanted Fleet kept in shape for a bid so that they could cash in, it was not difficult to put the word round that an Aitken deal would fail.

Sure enough, it did. Three weeks later, Stevens made his play - but instead of putting up a straightforward offer, which he knew would automatically be put on ice by the Monopolies and Mergers Commission, he simply asked the Department of Trade and Industry for "consent in principle" to bid.

Kleinwort had a thick dossier on Fleet, dating back to 1981 when they helped Sir Nigel Brookes's Trafalgar House to demerge the newspaper group as a separate company.

"In a funny way, the defence started then," said Clementi. "We have been through several would-be pretenders to Fleet since then, including the Australian Robert Holmes a Court and Robert Maxwell. We have always advised Fleet that the best defence is a good record and a high share price."

At the end of August the Department of Trade gave United the consent it wanted. Within a week, Stevens launched United's bid, valuing Fleet at 330p a share, or £280m, and the propaganda war began.

That war is ultimately aimed at winning the hearts and minds of Fleet's shareholders. United already has 20 per cent of the shares, a strong platform. Against that, Fleet's directors and executives speak for 6 per cent. The floating votes are a clutch of City institutions with 51 per cent and 22,000 private investors holding 23 per cent.

The early stages of a takeover battle have been dismissed by Fleet as "particularly feeble". Earlier this week Fleet issued a defence document which included its profit figures for the year to June.

A bid that fails is a black mark for the bank

So far the Fleet-United contest has been cleanly fought. But in the past two or three years the pressure on the merchant banks to get results has produced a far more ruthless attitude.

The City has nothing comparable to the Westminster system of lobby briefings for the press, but telephone whispering campaigns are not unknown.

The battles are supposed to be fought in accordance with a set of rules, known as the City Code on Takeovers and Mergers, which is administered by a full-time panel under the auspices of the Bank of England.

"How the code works requires constant activity," said Magan. "A lot is not codified, and depends on observing the spirit as much as the letter. You have to know the people at the panel very well, and how they might respond in a given situation."

The panel, led by the former Deputy Governor of the Bank of England Sir Jasper Hottom, may have its work cut out responding to the twists and turns of a siege which could go all the way to the final deadline on November 3.

As the war between Iran and Iraq enters its sixth year, Hazhir Teimourian reports on its effects and peace prospects

When President Abolhasan Bani-Sadr of Iran awoke on September 21, 1980, to the news of Iraqi air raids on military airfields in Tehran and provincial centres, his first decision was to address the armed forces on radio and television. As Commander-in-Chief, he was aware of their morale problem: 12,000 officers had been dismissed or imprisoned by Islamic revolutionary committees, and much of their equipment was rusting or had been pillaged by political groups.

He also decided it would make a greater impact if Ayatollah Khomeini, the still-revered leader of the revolution of the previous year, appeared with him on television. But when he arrived at Khomeini's house, he found the 77-year-old ayatollah in no state to make speeches. From his place of exile outside Paris, the former President told *The Times*: "Khomeini's hands shook. He thought that the government would collapse within a few days. I made my speech alone."

The invasion, which was launched the next day when hundreds of Iraqi tanks poured unopposed into Iran at several points, did not take Bani-Sadr by complete surprise. He had recently authorized Foreign Minister Sadegh Qotbzadeh (later executed for involvement in an alleged plot on Khomeini's life) to say 200,000 French

francs in Paris to a Latin American, who claimed he had discovered the Iraqi Army plans for an invasion of Iran.

Bani-Sadr, who had also received the information from the Iranian Ambassador in Moscow, assumed that the mysterious Latin American was acting on behalf of the Soviet Union, for the Russians were thought to maintain contact with secret Communist cells among Iraq's officer corps, despite the brutal persecution of the Iraqi Communist Party by their ally, President Saddam Hussein.

The invasion could not have come at a worse time. When asked about the state of readiness of the army, which was supposed to have 150,000 men, Mr Bani-Sadr replied: "What army? We had none!"

The armed forces had been damaged by nearly two years of revolutionary turmoil, and Admiral Madani, Minister of Defence in the previous provisional revolutionary government of Mr Mehdi Bazargan, had halved the duration of conscription to 12 months. He had also decreed that all remaining conscripts could serve in their home provinces. Thus, huge field guns and Chieftain battle tanks with delicate mechanisms needing constant refrigeration were left unattended for months. They did not move, even when crews could be found for them.

By contrast, President Saddam Hussein of Iraq had 2,600 tanks and more than 300 combat aircraft kept in battle readiness by thousands of Soviet technicians. His 200,000 troops, though split by ethnic and religious animosities, had acquired useful combat experience through years of fighting the Kurds in the north.

What he had not taken into account, though, was the strong sense of national identity among almost all Iranians, and the religious fervour of the revolutionary Shiite zealots.

Iraqi troops initially found the going easy, penetrating Iranian territory up to 30 miles in places in the first few days. But their progress began to be hampered by the Iranian air force and the air arm of the army, whose battle readiness Bani-Sadr says he increased from about 10 per cent of total strength to nearly 90 per cent.

Bani-Sadr began to spend long spells in the south directing the war, often risking capture or death by riding a motor cycle to within sight of enemy tanks. This turned out to be a mistake, because he was leaving the impressionable Khomeini in Tehran to the intrigues of the hostage-taking clergy. They saw in the French-educated, moderate Bani-Sadr a barrier to their domination of the country's politics.

The clergy eventually persuaded Khomeini to dismiss him from the post of president and force him to go underground. But by then, in June 1981, the military tide had begun to turn in Iran's favour.

Bani-Sadr had reorganized the army to some 40 per cent of its former strength and reequipped nearly half of the lost territories that had totalled a

few thousand square kilometres.

Following the president's flight into exile in July 1981, the clergy continued his military successes, but at much greater human cost than Bani-Sadr would have contemplated. They expanded the size of the paramilitary revolutionary guards corps in rivalry with the army and recruited hundreds of thousands of children, some as young as nine, into a new force called the Bascej, the Mobilization (of the Oppressed).

In the past four years, Iran has pushed the Iraqi army behind the international border and has launched six major offensives into Iraq. These have gained it sizeable pockets of territory in the extreme south and the extreme north of the 700-mile border between the two countries, but it has failed to achieve any strategic breakthroughs.

The reasons for this failure include: the erosion of the superiority of an air force unable to buy western replacements and spare parts; the resumed purging of nationalist-minded officers after the ousting of Bani-Sadr; the considerable loss of religious fervour among conscripts and revolutionary guards disenchanted with the rule of the clergy; the readiness of Iraqi troops to put up a more determined fight once they had to defend their own land; and the readiness of France and the Soviet Union to supply Baghdad.

Numerous friendly governments, the Islamic Conference, the non-aligned movement and the United Nations have all failed to mediate to end the war because of Iran's insistence that the ruling Ba'ath party of Iraq be removed from power.

This lack of flexibility on the part of Ayatollah Khomeini is sometimes explained by his grudge against the Iraqi leader for expelling him from the country in 1978 at the behest of the late Shah. A more likely explanation is that the Ayatollah sees his duty as liberating - at all costs - the Iraqi Muslims, a majority of whom are Shiites.

According to secret government figures, Iran's dead numbered 630,000 at the last count; 489,000 were wounded.

Iraq's casualties are thought to be much fewer, but in both countries many millions have lost their homes.

There are signs that Iran will endure the war of attrition better. Recently, the construction of a new pipeline to the Mediterranean coast of Turkey was completed. It will increase its oil exports through Turkey by 50 per cent to 1.5 million barrels a day. Also about to become operational is another pipeline that links the country's southern oil fields - cut off from the Gulf by Iranian military action - to the Saudi pipeline network and the Red Sea, with an immediate output of another 0.5 million barrels a day.

By contrast, Iran, which has paid off almost the whole of its foreign debts, can see no possibility of increased revenues ahead, and has been forced to invent an array of new taxes for an already harassed population. If the Iraqi air force maintains the momentum of recent attacks on the oil terminal at Kharg Island, Iran's exports of crude oil may diminish even below their present level of 1.5 million barrels per day.

Last week in Tehran, the powerful Speaker of the *Majlis* (parliament), Hojatoleslam Hashemi Rafsanjani, threatened that Iran would close the Gulf lanes to all oil traffic if its own ability in this respect were ended. This would draw the U.S. and British navies to protect the lifelines of Kuwait, Qatar and the United Arab Emirates.

An end to the war within the next year seems extremely remote, unless a widening of the conflict would bring about a drastic solution.

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Human cost of a holy war

As the war between Iran and Iraq enters its sixth year, Hazhir Teimourian reports on its effects and peace prospects

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He also decided it would make a greater impact if Ayatollah Khomeini, the still-revered leader of the revolution of the previous year, appeared with him on television. But when he arrived at Khomeini's house, he found the 77-year-old ayatollah in no state to make speeches. From his place of exile outside Paris, the former President told *The Times*: "Khomeini's hands shook. He thought that the government would collapse within a few days. I made my speech alone."

The invasion, which was launched the next day when hundreds of Iraqi tanks poured unopposed into Iran at several points, did not take Bani-Sadr by complete surprise. He had recently authorized Foreign Minister Sadegh Qotbzadeh (later executed for involvement in an alleged plot on Khomeini's life) to say 200,000 French

francs in Paris to a Latin American, who claimed he had discovered the Iraqi Army plans for an invasion of Iran.

Bani-Sadr, who had also received the information from the Iranian Ambassador in Moscow, assumed that the mysterious Latin American was acting on behalf of the Soviet Union, for the Russians were thought to maintain contact with secret Communist cells among Iraq's officer corps, despite the brutal persecution of the Iraqi Communist Party by their ally, President Saddam Hussein.

The invasion could not have come at a worse time. When asked about the state of readiness of the army, which was supposed to have 150,000 men, Mr Bani-Sadr replied: "What army? We had none!"

The armed forces had been damaged by nearly two years of revolutionary turmoil, and Admiral Madani, Minister of Defence in the previous provisional revolutionary government of Mr Mehdi Bazargan, had halved the duration of conscription to 12 months. He had also decreed that all remaining conscripts could serve in their home provinces. Thus, huge field guns and Chieftain battle tanks with delicate mechanisms needing constant refrigeration were left unattended for months. They did not move, even when crews could be found for them.

By contrast, President Saddam Hussein of Iraq had 2,600 tanks and more than 300 combat aircraft kept in battle readiness by thousands of Soviet technicians. His 200,000 troops, though split by ethnic and religious animosities, had acquired useful combat experience through years of fighting the Kurds in the north.

What he had not taken into account, though, was the strong sense of national identity among almost all Iranians, and the religious fervour of the revolutionary Shiite zealots.

Iraqi troops initially found the going easy, penetrating Iranian territory up to 30 miles in places in the first few days. But their progress began to be hampered by the Iranian air force and the air arm of the army, whose battle readiness Bani-Sadr says he increased from about 10 per cent of total strength to nearly 90 per cent.

Bani-Sadr began to spend long spells in the south directing the war, often risking capture or death by riding a motor cycle to within sight of enemy tanks. This turned out to be a mistake, because he was leaving the impressionable Khomeini in Tehran to the intrigues of the hostage-taking clergy. They saw in the French-educated, moderate Bani-Sadr a barrier to their domination of the country's politics.

The clergy eventually persuaded Khomeini to dismiss him from the post of president and force him to go underground. But by then, in June 1981, the military tide had begun to turn in Iran's favour.

Bani-Sadr had reorganized the army to some 40 per cent of its former strength and reequipped nearly half of the lost territories that had totalled a

few thousand square kilometres.

Following the president's flight into exile in July 1981, the clergy continued his military successes, but at much greater human cost than Bani-Sadr would have contemplated. They expanded the size of the paramilitary revolutionary guards corps in rivalry with the army and recruited hundreds of thousands of children, some as young as nine, into a new force called the Bascej, the Mobilization (of the Oppressed).

In the past four years, Iran has pushed the Iraqi army behind the international border and has launched six major offensives into Iraq. These have gained it sizeable pockets of territory in the extreme south and the extreme north of the 700-mile border between the two countries, but it has failed to achieve any strategic breakthroughs.

The reasons for this failure include: the erosion of the superiority of an air force unable to buy western replacements and spare parts; the resumed purging of nationalist-minded officers after the ousting of Bani-Sadr; the considerable loss of religious fervour among conscripts and revolutionary guards disenchanted with the rule of the clergy; the readiness of Iraqi troops to put up a more determined fight once they had to defend their own land; and the readiness of France and the Soviet Union to supply Baghdad.

Numerous friendly governments, the Islamic Conference, the non-aligned movement and the United Nations have all failed to mediate to end the war because of Iran's insistence that the ruling Ba'ath party of Iraq be removed from power.

This lack of flexibility on the part of Ayatollah Khomeini is sometimes explained by his grudge against the Iraqi leader for expelling him from the country in 1978 at the behest of the late Shah. A more likely explanation is that the Ayatollah sees his duty as liberating - at all costs - the Iraqi Muslims, a majority of whom are Shiites.

According to secret government figures, Iran's dead numbered 630,000 at the last count; 489,000 were wounded.

Iraq's casualties are thought to be much fewer, but in both countries many millions have lost their homes.

There are signs that Iran will endure the war of attrition better. Recently, the construction of a new pipeline to the Mediterranean coast of Turkey was completed. It will increase its oil exports through Turkey by 50 per cent to 1.5 million barrels a day. Also about to become operational is another pipeline that links the country's southern oil fields - cut off from the Gulf by Iranian military action - to the Saudi pipeline network and the Red Sea, with an immediate output of another 0.5 million barrels a day.

By contrast, Iran, which has paid off almost the whole of its foreign debts, can see no possibility of increased revenues ahead, and has been forced to invent an array of new taxes for an already harassed population. If the Iraqi air force maintains the momentum of recent attacks on the oil terminal at Kharg Island, Iran's exports of crude oil may diminish even below their present level of 1.5 million barrels per day.

Last week in Tehran, the powerful Speaker of the *Majlis* (parliament), Hojatoleslam Hashemi Rafsanjani, threatened that Iran would close the Gulf lanes to all oil traffic if its own ability in this respect were ended. This would draw the U.S. and British navies to protect the lifelines of Kuwait, Qatar and the United Arab Emirates.

An end to the war within the next year seems extremely remote, unless a widening of the conflict would bring about a drastic solution.

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The killings that shatter faith

One Iranian officer disillusioned by what he saw during five years of the war is Lieutenant Mahmoud-Reza Amirzadeh, until recently a departmental intelligence chief in the army's air arm.

He had served in various capacities, starting as paratroop commander, and despite his junior rank, at one stage (following the turmoil of the revolution of February, 1979) was a member of the army's Islamic Revolutionary Council. Now he has applied to join the centrist opposition movement under the former prime minister, Mr Shapur Bakhtiar, living in exile in Paris.

He said that in the course of one of the battles in which he took part, the retaking of the southern town of Bostan in 1982, up to 5,000 teenage Iranian volunteers died clearing minefields ahead of the revolutionary guards and the army.

"At first, guards' commanders and the clergy decided to use hundreds of donkeys and cattle, but these stampeded towards us at the sound of the first explosions. Then the clergy got working on the teenagers, in the Bascej volunteer corps, and excited them so much that, when the attack started, they all were ready to commit suicide."

"The attack on Bostan shook me most. It made me feel less than an animal. We were about 13 miles from the town and we did not take a single prisoner until we captured it. All the Iraqis were beheaded by the guards or were buried alive by bulldozers in their trenches."

"The guards carry Japanese, battery-driven saws, and these can cut a man's throat in a second. I have seen men staggering for ten metres before they fell dead."

Not only has the Ayatollah Khomeini lost popularity, he said, but the regime will not be able to replace the regular army with the revolutionary guards because of the guards' inability to master modern techniques and win battles.



Amirzadeh: shaken

"We tried very hard to teach some of them to become helicopter pilots and learn other specialties. It was impossible. They are uneducated and most are above 40. Instead, the army has been expanded to about 700,000 men. What the government does, for example, is arrange for the showing of good films in provincial centres and, as young men emerge from the

casualties the military police pounce on them and send them to the army."

There are also deficiencies in arms manufacturing. "The arms factories work in three shifts and make many kinds of weapons. I have seen anti-tank rockets made by them, but they have difficulty making platforms and remote control mechanisms for larger missiles. The platforms perish each time."

Lieutenant Amirzadeh said that the man in effective charge of the war was Mr Hashemi Rafsanjani, the parliamentary Speaker, and that 90 per cent of army and air force officers were against the regime.

"Clergymen preach to officers up to four hours a day in what they call 'political-ideological classes', but the preaching has caused the opposite effect. Everyone is fed up with the leadership of the country."

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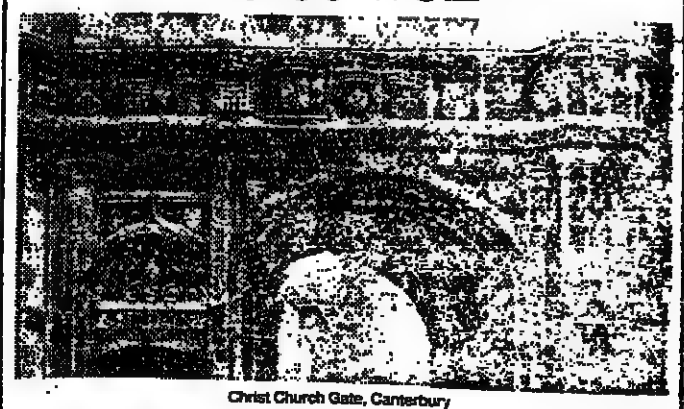
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3 One spot card (3)	20 Profile brooch (5)	
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28 Beat (6)		
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FRIDAY PAGE

The trials of little Gloria

Gloria Vanderbilt, born into fabulous wealth and social glitter, should have had a fairytale childhood. In reality it was a cruel nightmare, Shirley Lowe reports

Gloria Vanderbilt is sitting at a corner table in Claridge's having breakfast. "Just a glass of water, please," she says. She is beautiful in the carefree modern manner, her hair artlessly washed under the shower. She is in a stunning pink and green silk dress with a cleverly contrasting bandeau around her very slim hips (she's 155 pounds and 5ft 8in tall) and surrounded by a seductive cloud of Shalimar.

She is 61 and talking about herself again, as she has been for the last 16 years, travelling from town to town, promoting all the products that sell better if they're labelled Vanderbilt. And now she's marketing her book, *Once Upon A Time*, the true story of her childhood and written as a child would tell it - an innocent's eye-view of a cruel grown-up world of deception, intrigue and deprivation.

"Truly, it happened yesterday but it also happens tomorrow," she says, speaking very slowly and carefully because she is used to editing what she says before she says it. "There's not a day when it doesn't come back to me. I live with it and it makes me the person I am."

The person she is needs the approbation, the strangers who rush up to her after book signings saying, "I understand... that's how it is. I feel it myself."

We are used to American show business folk standing up there on stage, arms outstretched, appealing to us - "Do you love me? Do you?" What is less familiar is the sight of an elegant millionaire displaying, albeit more subtly, the same need for approval and affection.

'It's kind of neat to make money... It's proof you can do it'

"Your own image of yourself comes from your parents and if you don't get that from even one person in your childhood, then you have to put it together for yourself," she says.

Most people probably know Gloria Vanderbilt as the name on the backside of their jeans. She is reputed to have made more than £10 million in one year alone for the Hong Kong firm which had the wit to bracket their plebeian product with her society name. "It's kind of neat to make money," she says. "I inherited money is okay, I'm not knocking it, but when you make it yourself it's proof, isn't it, that you can do it?"

Others will remember her as the 10-year-old heiress at the centre of the most famous custody case in



Gloria Vanderbilt: 'There's not a day it doesn't come back to me... It makes me the person I am'

America, a Thirties scandal involving big money, a starry cast including a few royal names, and intriguing tales of sexual promiscuity.

Poor Little Gloria, as she was instantly labelled, was programmed to please from the age of two, after her father died of drink. He was the great-grandson of Commodore Cornelius Vanderbilt, a shipping magnate who funded a dynasty which makes the goings-on in the television soap opera of that name seem sweet and folksy. She was left in the care of her 19-year-old mother, a self-indulgent beauty who flitted across the playgrounds of Europe, often in the company of her identical twin Thelma (who married into the English aristocracy and was the mistress of the Prince of Wales until she introduced him to her best friend, Wallis), recklessly spending her daughter's inheritance.

The daughter followed behind, accompanied by her maternal grandmother, Naney, and her beloved German nanny, Dodo. They were her family and they acted as a catalyst, reporting the young mother's shocking behaviour to Aunt Gertrude Vanderbilt Whitney and poisoning Gloria's mind against her mother.

Say you hate her, they said, or she'll take you away from us. Say you want to live with Auntie Ger and we'll all live happily together for ever. She wrote, under dictation: "My mother is

a rare beast..." She told the judge: "I hate my mother," and when the judge came to examine her she made "Ooooo-eeeee-ouch" noises so that he would tell the judge how sick it made her knowing she might have to leave Auntie Ger.

Everybody said: "Well done, little Gloria" and the irony was that Auntie Ger won the case. Naney was banished to a small hotel room in New York and Dodo was dismissed. "How can you say goodbye to someone you can never say goodbye to?" she writes.

'I didn't think I could ever be thin enough to please her'

She learned to negotiate her needs through lawyers, nursemaids, detectives and hired help. On weekend visits to her mother, driven to lunch at the Sherry-Netherland in the Hispano-Suiza with her nurse, she worried about fitting in with her mother's fascinating friends. She felt an intruder in her aunt's house, a guest at her mother's luncheon table.

"I wanted to belong, to belong to my mother. And in return, I wanted my mother to belong to me." But Big Gloria was slim and elegant and Little

Gloria was fat. "If I could lose some fatness, to fit more into the overall picture... who knows what might happen," she writes. "Why, Mr Roberto Mendoza (her mother's current beau) might love me enough to want to be my father. And if that happened, my mother might love me enough to want to be my mother."

But her mother would drift away - down the long corridors of hotels, down staircases, along avenues in her pale fur, snow-sprinkled, disappearing into the velvet caverns of waiting cars and home away, away, away. And next time they met she'd greet her with a social peck on each cheek ("It was as if the first kiss didn't count..."). When Little Gloria confided that she'd started "the cure" her mother cried: "Oh darling, I'm so glad, so glad, so glad. Now I must jump into my bath otherwise I'll never be ready for lunch."

"I didn't think I could ever be thin enough or do enough to please her," says this exquisitely preserved and presented woman who sticks to a stringent diet of bran, bananas, skimmed milk, fish, chicken, steamed vegetables, fruit, a protein bread with only 47 calories a slice. "I can remember appearing in my first play and afterwards I said to a friend: 'Did I look thin on stage?' and he looked surprised and said 'Sure' and I said: 'Yes, but did I look really, really thin?'"

Ros Drinkwater

and when he said 'Yes', I thought, 'That'll show her. And she wasn't even in the audience.'

The book ends on a happy-ever-after note with Gloria, 17, running along a Malibu beach, away from the adults who'd confused her childhood, into the arms of a handsome young man. She didn't marry him. She chose her mother, brought Dodo, the beloved nurse, to live with her and was plunged again into divisive rows. She married, at 18, a Hollywood agent because she wanted to get away from her mother.

At 21 she married Leopold Stokowski, the conductor who was then 62. "I loved him very much and he was passionate about me," she says. "He gave me an enormous sense of myself and he encouraged me to paint." They had two sons, were divorced and after a brief marriage to film director Sidney Lumet, she had 16 happy years and two more sons with the writer Wyatt Cooper.

'I have succeeded in everything my mother failed in'

Her greatest triumph, she says, is that she has been a successful mother. "I have succeeded in everything my mother failed in - first as a parent and then in my work," she and Wyatt Cooper, who died seven years ago, had "the most extraordinary and wonderful family life." They went together to see her mother before she died. She was small and pathetic. "I couldn't believe I had ever been frightened of her. She was suffering from hysterical blindness and Wyatt Cooper said: 'This woman doesn't know one single thing that ever happened to her.'"

"Just think what that means," says Miss Vanderbilt, leaning across the table. It is the first time her eyes have come alive. "She never knew what she was doing." Her husband, she says, thought she was so wonderful it was hard to live up to. "I'm very critical of myself and I try not to be such a perfectionist because perfection is impossible to achieve."

She has tried. She's a successful artist, writer, business woman and she's got a man, now, who admires how she looks. Appearance, she says, is an important part of one's self image and she works at it with yoga, exercise, dieting and (surely, with that baby-smooth skin) cosmetic surgery. "She's had her face lifted so high that every time she crosses her legs her mouth snaps open," comedienne Joan Rivers says unkindly.

Most of all, she's been able to put the record straight. "It is so incredible to write about your innermost painful feelings and reach other people. One letter was so marvelous. It was from a woman who wrote: 'They gave you a lemon and you made lemonade. Isn't that adorable? That makes me feel so good.'"

Once Upon A Time, a true story by Gloria Vanderbilt is published by Chatto & Windus/The Hogarth Press on September 23, price £9.95.

The Pill: what the doctors order

MEDICAL BRIEFING

possibility of poverty directly weakening the cardio-vascular system.

Injection swab is 'waste of time'

One of the most common medical procedures - swabbing the skin before an injection - may be nearly useless. Swabs are usually saturated with alcohol and although they are effective against bacterial contamination, fungal spores and viruses are pretty impervious to them.

In theory, that should not be too much of a problem because the main hazard is from bacteria nesting on the skin which might be dragged inwards during the injection.

In practice, even bacteria are not a danger. More than 15 years ago, Dr Thomas Dann, then of University College, Swansea, reported to the *Lancet* that after performing 5,000 injections without swabbing, no infections had developed. This was confirmed in 1982 when research showed that there are simply not enough bacteria on the skin to lead to an infection.

Dr Graham Barker, writing in the medical newspaper *Post*, admits that even though he has calculated that the 800,000 swabs carried out each year at his own hospital - the Middlesex - are a waste of more than £3,000, next time he has to take a blood sample he will swab the patient's arm. For many patients the idea of having an injection without that cooling dab would be unsettling.

How to get rid of your tattoo

A ferry stewardess had been happily employed for years until the line decided to change the uniform from a short-sleeved to a long-sleeved version. Overnight her job was in jeopardy because she had a tattoo.

Tattooing involves pigmenting the fibrous lower layer of the skin (the dermis) and it can only be removed if the skin involved is cut out: the wound will only heal with the help of a skin graft. Small tattoos are not a problem because they can usually be lifted out and the skin heals over the gap.

Other methods have been tried, but they tend to be painful and leave scars which are almost as much of an eyesore as the tattoo. One is dermabrasion, which means the skin is ploughed up with a wire brush - taking the pigment with it; another is salabrasion when the pigments are leached out by salt.

Technology has had a hand in attempts at depigmentation, too, but like the traditional methods they are of limited success. Cryosurgery involves freezing the pigmented skin to death but it, too, leaves its mark.

Laser treatment was heralded because it was thought that the beam would be absorbed by the pigment differentially and damage to the surrounding tissue would be minimized. However, a report in the recent issue of the *British Journal of Surgery* from Middlessex Hospital is disappointing. Surgeons have given up using a carbon dioxide laser because the results are no better.

Olivia Timbs and Lorraine Fraser

Health risks to the self-made man

The poor boy who makes good could run into some unexpected health problems.

Research has shown that people who have a poverty-stricken childhood but then go on to enjoy a high standard of living run an increased risk of developing heart disease, where exercise, dieting and (surely, with that baby-smooth skin) cosmetic surgery.

A study of more than 14,000 people in the Norwegian town of Troms found that people who had a less privileged childhood were more likely to smoke and have high blood cholesterol levels - both known to increase the chances of heart disease. But the authors of the study, published in the *Journal of Epidemiology and Community Health*, do not discount the

Snap, crackle and pop behind the BBC's serials

You can inflict no more exquisite torture on a BBC drama executive than to interview him for a couple of hours and not ask him why the BBC can't produce a serial as good as *The Jewel in the Crown*.

Driven to madness by the torment of punishment without hold, he will hand you the flail himself saying - as Jonathan Powell, Head of Series and Serials, did - "Why don't you ask me why the BBC can't produce a serial as good as *The Jewel in the Crown*?"

Well, why can't it? "A corporation which can offer *Black House*, *Edge of Darkness* and *Tender is the Night* need not concern itself with such comparisons," retorted this plucky, proud and loyal 38-year-old executive.

Viewers will get the chance to judge for themselves on Monday, with the first showing of *Tender is the Night* (BBC2, 4.30pm, repeated Thursday); the six-part Dennis Potter adaptation of Fitzgerald's tale of a poor little rich girl.

Powell, executive producer of the series, has an impressive list of producer credits since joining the BBC from Granada eight years ago: *Tinker, Tailor, Soldier, Spy* (Critic's Award for Best Serial, BAFTA and Emmy nominations); *Testament of Youth* (Royal Television award for Outstanding Creative Contribution to television; BAFTA award for Best Serial); *Smiley's*

People (BAFTA and Emmy nominations); *The Barchester Chronicles* (BAFTA nomination). There were also *Sons and Lovers*, *A Christmas Carol*, *Thérèse Raquin*, and the political allegory, *The Old Men at the Zoo*.

Powell is responsible for up to 230 hours of television drama a year, ranging from the quarantined *Dr Who* to *Black House*. His appointment was announced in October 1983, the month the BBC was perspiring over figures which gave it only a 43 per cent share of viewers, and in a week when not a single BBC programme made the top ten.

He did not know his vocation existed

It is rare that a huge corporation - particularly one in a sweat - has the sense to promote a creative talent to be head of a substantial empire. But it is rarer still that such a personality is perfectly at home in an institution. Powell is no Tony Garnett (*Calypso* *Home*; *Days of Hope*), politically committed and spending his life sparring with his controllers; he is almost indolently at ease with organizations and admits to not minding the frustrations.

His secret is probably that he is a product of a happy family.

He was brought up in a wealthy family on a glorious fruit farm in Kent. The headmaster of his public school, Sherborne, had this to say: "Johnny was a quiet, self-contained boy. He did not sparkle academically, but he was very sound. Played his house rugby. Liked his fishing. I did too. We got on frightfully well." Not surprising perhaps, since the headmaster was his uncle.

Between school and university his parents treated him to a wealthy boy's three months holiday in Venice - where he saw the Living Theatre - and then more adventurously he signed on as an 18-year-old assistant purser on the Empress of Canada, shipping emigrants to Canada. This provided his first Dickensian glimpse of the world. There was a dock strike in Montreal, so the ship unloaded the emigrants and steamed back to England with all their luggage.

Oxford would not offer him a place, so he made a crucial decision in 1966 to go to the new University of East Anglia, where he fell in with people like avant-garde playwright, Snoo Wilson, with whom he shared a flat, and ran the drama club with Howard Brenton and David Hare. These were the revolutionary 1960s in a university still composed of prebends and with no constricting traditions.

There wasn't even a theatre.



Artist in residence: drama executive Jonathan Powell

When they wanted to put on a play they performed it on the grass.

Snoo Wilson, who knew Johnny then as a beer-quaffing, laid-back fat boy, has difficulty explaining today's trim, executive who chain smokes and drinks coffee as if he fears for the future of the coffee bean.

But a transformation, which was probably more a reversion to his self-contained diligent youth, appears to have taken place. This was 1969, and Powell was taken on by Granada as a trainee producer. He realized the flip side of hanging-gliding university life: if there were no traditions to react against, neither was there anyone to steer you in the right direction. He discovered he knew nothing about drama.

He was taken under the wing of John Finch, then writing *Family At War* (32 episodes) and it was working as a dogbody that Powell discovered his true vocation. It was not, as his professor at Norwich (Malcolm Bradbury) had supposed, writing, nor directing, but in dealing with writers and directors and generating story lines - a job he did not know existed.

credit goes to the writer or director.

Powell is not always immaculate in his support of the creative side. Wasn't there something about re-shooting nude scenes from *Sons and Lovers* to accommodate American co-producers? (The Americans were more puritanical.)

"Rubbish," he denied. Then, without prompting, confessed, "Well, we may have re-taken a couple of shots, as a matter of fact. We had a bit of a row about it with Trevor Griffiths, but Trevor obviously felt strongly about that and absolutely correctly so. But if you are supplying another broadcaster and you argue about what size shots you take of a person's body I don't see anything wrong, as long as you discuss it with the programme makers."

The theory that Dickens cannot be rewardingly adapted for television infuriates Powell, and he was ready with a vehement riposte: "The line is - and this is *The Times*' critic's line - that Dickens's characters are so vivid they exist only in the reader's imagination and to embody them on television is to somehow forge them in stone and to subtract from the pleasure of reading the book. I think this is rubbish. It's stupid elitism. I actually don't think that you hold pictures in your imagination."

His attitude to whether these adaptations should have a contemporary political or social resonance is a perfect synthesis of the BBC stance, which is to present itself as compassionate and liberal but not politically committed.

"We live in a world where we have been exhorted to return to Victorian values," he said. "Dickens was a great critic of Victorian values. What is *Black House* about? It is about the nature of greed, and preservation of the class structure, and about a society where there are no safety nets. You can see how quickly people can fall through the net."

Tinker, Tailor carried a message too. "It is a spy story, but it is also a microcosm of institutional life in this country. I don't think you can really understand England without understanding institutional life."

Peter Lennon

Compassionate but not political

A lively, youthful and, at times, even juvenile, personality Powell is unmarried and has no hobbies.

People say Powell is married to the BBC. It might be more accurate to say that he is infatuated with the promiscuous life of the executive producer, intimate with half a dozen projects at a time, then moving on to another round of emotionally draining relationships with writers and directors. In the end the full creative

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THE TIMES DIARY

Princess in print

Princess Anne is fast becoming the Royal Family's answer to Terry Wogan. Only weeks after appearing on Radio 4's *Tuesday Call* - the first royal to do so - she has written a witty, and by royal standards rather naughty, article for next week's *Punch*. I have managed to secure an advance copy of the piece from her typewriter. Typed on Buckingham Palace notepaper, it opens: "The camel next door to me let off a series of the most revolting, flatulently, bilious noises I have ever heard... the noise only stopped after it was made to kneel down." Reporting her experiences in Ethiopia, Princess Anne is nothing but candid. "It was a memorable trip, not least because of all the little 'friends' who shared my sleeping bag, and the amount of weight I lost. So far, I have (regrettably) not managed to achieve a similar reduction again." When it rains in Ethiopia, she says, "the roads simply disappear and short of a hovercraft no transport moves. In those conditions, the ubiquitous (sic - if I dare to check a royal for misspelling) Land-Rover is still the best bet (and I'm not even sponsored by them)." And we all know who is... hubby Mark.

Waterbeds take on a different meaning for Mozambique's leader, Samora Machel, who met President Reagan in Washington yesterday. At home, so fearful is he of surprise rebel attack, I am told, that every evening he boards a helicopter and flies to a ship several miles offshore, where he can rest his head in safety.

Manipulation

Where was David Steel in the hours before David Owen's speech to the Liberal assembly in Dundee? Flat on his back - at Dundee Football Club. He had apparently woken in agony with back pains after a riding accident. An inspired lackey suggested he pay a secret call to the club, and was duly given the once over by resident physiotherapist Eric Ferguson. Yesterday Ferguson refused to discuss his massage techniques: "My relationship with my patients is confidential."

Hung party

William Wallace, the Liberal official who said in a leaked letter that the party was not ready for government, has been telling Dundee delegates that David Steel is not at all angry with him. The press, he says, misinterpreted Steel's threat, at the SDP conference last week that he was going to be hanged, drawn and quartered. Steel, he claims, even rung him up to say it was a joke. Some of us know better: when Steel called, Wallace started to push his luck and expounded the Liberal traditions of free speech and pluralism. "After all, it's not an automatic party, David," said the smug Wallace. "It is now," replied Steel coldly, and hung up.

Not known

Things must have got too hot in the Kremlin for Comrade Gorbachov, so he's moved. His new address, according to the mailing computer of the Journal of Defence and Diplomacy, is:

000073790668 CHAD PSJL
Nikolai Gorbachov
Gen Sec-Soviet RS-Union of USSR
Soviet Palace
12501, Moscow

Ken the hack

Tory Central Office will doubtless have apoplexy at one press application to attend the Blackpool conference next month: Ken Livingstone. Complete with photograph - and two home numbers - he is applying in his capacity as a reporter for *Tribune*. I wonder what his shorthand is like.

Inside story

Evening classes in Hammersmith and North Kensington are not just ballroom dancing and lingo lectures. The Adult Education Institute will soon be in prison - Wormwood Scrubs to be precise. For £10 a term prison officers will tell students all about life in a top security slammer.

Minister, yes

Lord Matthews got it in the neck when he mistakenly referred to guest of honour Norman Tebbit as an "ex-minister" at a *Daily Express* banquet, held this week. Tebbit replied good-humouredly "I am still a minister. I am Chancellor of the Duchy of Lancaster and don't you forget it."

Touring trophy

France must be ruing the day it decided to steal British traditions: the enormous and ornate silver trophy awarded last month in the Oxford-Cambridge boat race at Mandelieu in the south of France has already been lost - and the triumphant Oxford crew seem unconcerned about its whereabouts. This must be hard to take for the Mayores, Madame Moreau, who organized the event: last year Cambridge's runners-up trophy also vanished, and the French generously replaced it. Madame Moreau has no intentions of forking out on this occasion. "The cup was last seen in Valentine's disco," said a spokesman. Oh dear, I think the French police may want me in for questioning. I was at the race in question, and attended said disco. I last saw the trophy in a mini-mo full of Cambridge lads at 5 am. I was sitting on it.

PHS

Boom that would soon go bust

Roy Hattersley yesterday introduced Labour's plan for greater capital investment in industry. Gerry Steele questions the arithmetic

Roy Hattersley's economics are sixth form, and his reading of the text books did not go far enough. Here is why.

In Hattersley's scheme the government or its investment agency must have at its disposal substantial sums to be invested directly in British industry. The source is to be the "vast amounts of British money which have been invested abroad by investment institutions".

There is to be no attempt, however, to enforce repatriation of money lodged abroad or to introduce foreign exchange controls to deter further outflows of capital. Foreign exchange controls would, Hattersley says, be anachronistic, and would stifle trade. They are ruled out on the grounds that they would have minimal effects on most currency transactions anyway. Instead, he proposes that certain kinds of British investors are to be made an offer they cannot refuse.

All "fiscal privileges" - tax exemptions, taxation at composite rates, CGT and CTT relief - would be withdrawn from institutions failing to meet his investment criteria. The criteria would comprise a limit on the proportion of foreign assets held, and the requirement that a proportion of all funds be placed with a new National Investment Bank (NIB). Guaranteed gilt-edged NIB stock would be made available at market rates of interest. Then, with additional government finance, low interest investment loans would

be made available to favoured projects.

There are a number of cunning features in the proposals. Arrangements would be entirely voluntary, and hard financial good sense is expected to convince institutions that their interest lies in repatriating funds. Even if they refuse, then the gain in revenue to the Treasury arising from the removal of fiscal privileges would be immense. Either way, the NIB would receive money from the institutions directly, or from them indirectly through higher taxation.

The repatriation of funds would create additional demands for sterling. This by-product would prove convenient to a Labour administration which, in running a "high employment economy", would be setting up reverse pressures upon sterling. This would be a fortuitous balancing act, which would reduce the need for other measures to protect either the balance of payments or the value of sterling.

Hattersley believes that his scheme would work by reducing the cost of investment funds to companies which presently are unable to find or to afford backing on commercial terms - the thousands of companies all over the country

which find it impossible to finance the expansion which they seek. Given that funds would be repatriated to be used by the NIB, would Hattersley's objectives then be met? Two fundamental points are here relevant: points so basic that they are covered in school textbooks and could not have been unknown to Hattersley's advisers. The first is between the rate of return on investment expenditure, and the aggregate level of that expenditure. The second is that, without the most stringent of foreign exchange controls, internationally mobile capital is attracted by the highest returns on investment, and that this produces a tendency towards uniformity of rates of return. If these relationships are borne out in practice, then Hattersley's proposals cannot succeed.

At first, the removal of fiscal privileges and the repatriation of capital would have the desired effect. With the demand for investment funds unchanged, the increased availability would force down rates of interest in the UK. However, it is proposed to absorb repatriated funds into the NIB which, in offering existing market rates, would prevent such a fall.

When the NIB starts to make finance available at subsidized rates,

new projects would begin to compete with those already established. Although the latter would formerly have been viable on commercial terms, it is unlikely that all would remain so when exposed to newly subsidized competition.

The return on many of these earlier investments would then be insufficient to warrant further commitments. Given that sunk costs are sunk, there may be a short-term gain (in the total of capital investment undertaken in the UK) but, beyond that, those projects would no longer be viable. The reduced return on UK projects would stimulate a capital outflow, which would again work to restore the original position.

Hattersley would be able to itemize the new projects financed with NIB funds and so claim successful achievements. But the companies affected by the subsidized competition, and the inefficiencies introduced by backing the mediocre against the best, would be invisible, unmonitored statistics.

Hattersley's proposals might channel British funds into second-rate investment schemes, but not even a Labour government could remain indifferent to what was happening to foreign funds. It would have to act to keep investment in Britain attractive to foreign capitalists, and that would mean maintaining an adequate return on British projects. Hattersley's scheme would not work.

The author is lecturer in economics at the University of Lancaster.

Bailey Morris on growing US demands for trade protectionism

A bandwagon bound for disaster?

Washington
It is a foregone conclusion that the US Congress will ignore the personal appeals of President Reagan and pass strongly protectionist legislation. The question now is not whether, but what kind, and at what cost to the rest of the world.

For the first time, the fear is being expressed that the roaring Eighties of President Reagan's first term could turn into the second great depression, just as the roaring Twenties turned into the first. The bogeyman then as now was protectionism.

The US trade problem, marked by an enormous deficit projected at more than \$150 billion this year, is moving like a brush fire from the textile states in the south across the industrial midwest into the western sunbelt where the Japanese presence is strong.

Left in its wake are faltering companies, communities with persistently high unemployment and a growing number of angry people. The perception is widespread that the US is no longer "number one". Inevitably, there are questions: How did this happen? Who is to blame? This is the message returning congressmen brought back to Washington after the long summer recess. Their constituents are out for blood. To win re-election in 1986, they must act firmly.

In Arizona, for example, the recent closure of 13 copper mines was blamed on unfair foreign competition. Morris Udall, a Democrat, has promised voters: "If the president will not lead on this issue, Congress will do the job."

This explains the new, get-tough tone emanating from the White House over the past two weeks. The president's advisers, slow to recognize the depth of congressional frustration, must now act quickly to have any chance of containing the flood of protectionist legislation pending in Congress.

Accordingly, Reagan announced on September 7 in his weekly national radio broadcast that he had ordered investigations into the "unfair" trade practices of three countries: Brazil, Japan and South Korea. In addition, he set a December deadline for action on a trade conflict with the EEC. Later, the White House bowed to pressure from angry Republicans and agreed to cooperate in drafting new legislation intended to reduce the swelling volume of foreign imports. Reagan is likely to announce a series of initiatives, described as the administration's new trade policy, and tentatively scheduled for release next Monday.

Pretoria came under intensified US pressure yesterday over its support for Angola's Unita rebels. Less emphasis is being given within the international community to the outside help for the government forces.

There has always been some confusion over who exactly Jonas Savimbi's Unita forces are fighting. The figures of 107,000 Angolans (75,000 or so army and 30,000 "civil defence") and just over 33,000 foreign military personnel would probably be the nearest to reality. Of the foreign contingent, 30,000 are Cuban and the rest Soviet, Portuguese, Bulgarian, Yugoslav, Romanian, Polish, Hungarian and North Korean.

Under a "trinity of friendship" there is now a major Soviet naval presence in the south Atlantic. At any given time up to eight warships patrol from Liberia to Angola. Soviet submarines may be seen on the surface in the early hours. Tu-95 reconnaissance aircraft operating from Angolan bases assure surveillance of an important western route. (Similar surveillance is carried out from Cuba, Ethiopia, Yemen, Syria and the former US base of Cam Rahn Bay in Vietnam.) Soviet military personnel in Angola are principally in coastal towns where the arms they have supplied are protected by ground-to-air missiles. At one stage it appeared that military hardware was brought into



Maurice Miles

The shift in emphasis from the first Reagan term to the second has been made. Congress, unable to act on the massive federal budget deficit at the root of the trade problem, is promoting the "unfairness doctrine" and the White House is following suit. The president's former loud insistence on free and open markets is being muted in favour of a new message that unfair trade practices will not be tolerated.

There is a real danger that the whole process could degenerate into a round of international name-calling. A large number of debt-ridden Third World nations would inevitably lose. Alternatively there is the strong possibility that the US and Japan, the world's economic superpowers, will lock horns in combat, lighting an economic cold war which would have broad repercussions for decades.

Much will depend on the kind of legislation drawn up by Congress in the difficult months ahead. It can either attack entire regions of the world, or single out specific industries.

More than 300 bills are pending. Over the next two weeks, it is virtually certain that Congress will pass a textile quota bill which would cut American imports of clothes and cloth by more than one-third, thus extending even greater protection to one of the world's most protected industries. Both Thomas "Tip" O'Neill, Speaker of the House, and Robert Dole, the Senate majority leader, agree that the textile measure will pass. What is not known is whether Congress has enough votes to override a promised presidential veto.

The textile battle will be a key test of whether the protectionist fire spreading across America can be contained. It will also test how well Reagan is able to manage Congress during his second term. Reagan has already lost considerable ground by failing to recognize the importance of the balance of trade deficit. The premier White House trade policy is not likely to prevent Congress from moving ahead on its own, and

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The outside forces propping up Angola



President Dos Santos: helped by the entire communist bloc

Angola from a hotch-potch of sources, mostly Warsaw Pact countries and some Arab states. Now a pattern is discernible in which individual nations play a particular role and provide, almost exclusively, a certain product. The Hungarians provide stick grenades and the North Koreans pangas, a weapon favoured for close combat in black African states and without parts to go wrong for the mechanically unsophisticated user.

Yugoslavia contributes a 30mm grenade launcher which has a special sighting mechanism requiring Soviet or East German technical knowledge to set. This mechanism is likely to

"de-regulate" in the hands of the uninitiated, making the weapon useless unless sighted back at base and therefore perhaps ruling out its use in what is, essentially, a bush war. Yugoslavia also supplies anti-personnel mines, trip-wire grenades, hollow-charged rockets and the only triple-barrelled anti-aircraft gun in the area. The degree of Yugoslav involvement and co-ordination with the Soviet Union and other Warsaw Pact nations is a new phenomenon not only in Angola but anywhere in the world.

The Russians themselves supply advanced radar and communications operated by Soviet personnel. Such sophisticated equipment apart, the accent is on manoeuvrability. Hence the use of the six-wheeled Ural trucks from which 122mm rockets are fired with a range of up to 13 miles.

The North Koreans are engaged in the training of special forces for cross-border hit and run operations. They specialize in booby traps and utter ruthlessness; their recruits are known to prefer to blow themselves up rather than be captured. Soviet instructors and Koreans jointly form assassination squads using weapons with night-sights, silencers and subsonic ammunition, until now issued only to spetsnaz troops.

The East Germans play a key role. Technically and mechanically efficient and disciplined, they train pilots, radar operators and artillery

crews. In addition they have a training camp just south of Luanda whose students include members of the Baader-Meinhof gang, the IRA, PLO, African National Congress and Swapo.

Of the Cubans, some are advisers, engineers and pilots. Others provide stiffening to the Angolan army fighting Savimbi and some help the East Germans to train recruits. The Russians have not had it all their own way. As much as the West, they have failed to understand the complexity of tribal politics and traditional infighting, and the power of the chiefs. Much of the material poured into Angola is wasted, as hi-tech advisers seek to impose a European technology and style of warfare on to an emerging Third World people.

The subsequent financial losses must be highly embarrassing to Moscow. But never before has it withdrawn voluntarily from any area once installed - a point that the West would do well to remember. On the other hand, should Gorbachov be tempted to pour in more equipment in an attempt to crush Savimbi once and for all, he should ponder the lesson of Afghanistan: that an open-ended commitment is one that Russia cannot afford.

Evelyn Le Chêne

The author is director of the West European Defence Association.

David Butler

Compulsion of the three-line quip

Words are the tools of politicians. Communication is their trade. But their output of memorable phrases is limited. Most people can recall "apalling frankness", "lower than vermin", "pound in your pocket", or "on your bike". Yet the total corpus of British political utterances that have retained some popular resonance would fill only a few pages.

For some years now I have compiled a list of such remarks. It is fascinating to trace them back to their origins, often obscure and even fictional, and to consider what elements saved them from the oblivion to which political observations are usually consigned.

There is a relatively small category of well-honed phrases that are deliberately designed to be memorable. It was Rudyard Kipling who suggested to his cousin, Stanley Baldwin, the celebrated put-down of the press lords who sought "power without responsibility" - the phrase achieved so incontinently (*Sunday Mirror*, August 9, 1931). Nye Bevan meant his "naked into the conference chamber" (October 3, 1957) to be remembered. So did Hugh Gaitskell with his "Thousand years of history" in October 1962.

Enoch Powell must have been fully aware of the power of his prepared text when he quoted Virgil: "I am filled with foreboding. Like the Roman I seem to see the River Tiber forming with such blood" (*April 20, 1968*).

Often the aptest quotation is a timely echo of a past remark. Leo Amery's assault on Neville Chamberlain, "You have sat too long for any good you have been doing... In the name of God go", used Cromwell's words to the Long Parliament. Roy Jenkins' "breaking the mould" came from Marvell's words on Cromwell "teasing the Kingdom into another mould". A large proportion of the phrases that have gained currency, however, have been the boomerang slips of the tongue or double entendres that have been picked up for exploitation by the other side.

The Attlee government was peculiarly vulnerable. The Conservatives made much of Sir Hartley Shawcross's "We are the masters (now)" in April 1946. Manny Shinwell's "As for the rest they do not matter, the rest is the rest" (*May 1947*) and Nye Bevan's "lower than vermin" (*July 1948*).

Two other Labour stalwarts gave more prepared messages to fortune. Arthur Greenwood had spoken of pounds, shillings and pence as "meaningless symbols" (*February 16, 1943*) and Douglas Jay wrote in 1947 that "the gentlemen in Whitehall really do know better".

Sometimes the awkward quotation is created by interview - and airports seem to offer a special hazard. One of the most famous "Rabbisms" occurred in December 1955 when a reporter at Heathrow asked R. A. Butler: "Would you say that (Sir Anthony Eden) is the best prime minister we have?" and he replied "Yes". The celebrated *Sun* headline "CRISIS: WHAT CRISIS?"

moreover... Miles Kingston

Autumn leaves, but not for long

Monday, September 23, Autumnal Equinox. Autumn already? But summer hasn't arrived yet. Poole reported yesterday that after a three-month search, there was still no sign of summer. And no clue as to why. Hot weather has been rampaging through the South of Spain, leaving many bodies lying motionless on the beach, but the extraordinary "treaty" with Spain has not been signed in time to bring summer back to these islands. I know - let's have the seasons in the wrong order! Autumn now, summer later. You'll never get the unions to agree, sonny. No, I suppose you're right.

Autumnal equinox. Equinox? Wasn't he the bloke that used to edit *Punch*? No, you're thinking of Autumnal E. V. Knox, the man from whom light verse used to fall as thick as leaves that strew the brooks in Valpurgis, ti-tum-ti-tum-ti-tum. British and Commonwealth Light Verse Champion, he was, for 10 years. I remember seeing him go to 10 rounds against A. P. Herbert at the Albert Hall for the title, ding-dong battle it was, he went ding and the other went dong, and after that it was ding dong ding dong. I fell asleep after five minutes.

Autumn. Time for stubble-burn-ing. Yes, if you're fed up day after day scraping away at your skin with that old blade, why not set fire to your stubble? Simply soak your beard in Old Christmas Pudding Brandy, put a match to it and watch the blue flame lick across your features. Stick a sprig of holly in your mouth if you like, but afterwards you'll be as smooth as an insurance broker, and they don't come smoother than that.

Autumn. Here in the studio Milais is putting the finishing touches to his great masterpiece, "A Few Girls Standing Around in a Corn Field". Or is it Millet? You say Millet, and I say Millet, Millet Monet Mandy. Last night I dreamt I was back at Mandelieu and I thought: what a great idea for a novel! Autumn comes soon to Strow-on-the-Brooks, as thick as thieves in Vallombrosa. If Somerset, can autumn be far behind?

Equinox. Wasn't he one of the Crazy Gang?

during the winter of discontent resulted from an exhausted prime minister being challenged on arrival from a Caribbean summit about "the mounting chaos in the country at the moment". Mr Callaghan replied: "I don't think other people in the world would share the view that there is a crisis" (*January 10, 1979*).

Many quotations, of course, were never said. Ted Heath's alleged boast of bringing down inflation "at a stroke" was in fact taken from a Conservative Research Department press release in June, 1970. Norman Tebbit's actual words in October, 1981 were "He (his unemployed father) didn't riot. He got on his bike and looked for work". No one can find authentic evidence of Mrs Thatcher saying in 1979 or 1980: "There is no alternative", though she did very deliberately herself do down with "the lady's not for turning" in October 1980. And, by turning out the Russian gibe "the Iron Lady", she gave that label currency.

Slips of the tongue can reveal massive incomprehension. Like Neville Chamberlain's remark on the eve of the disasters of 1940: "Hitler... has missed the bus" (*April, 1940*). There was the memorable folly of Sir Eric Geddes, who said: "We will get everything out of (Germany), that you can squeeze out a lemon - and a bit more. I will squeeze her until you can hear the pips squeak." An impetuous response can lead to embarrassment, such as Neil Kinnock's retort to the heckler's "Mrs Thatcher has got guts": "And it's a pity that people had to leave theirs on Goose Green to prove it" (*June 1983*).

The extempore riposte that echoes down the years is surprisingly rare. There was Lloyd George's reaction to the description of the House of Lords as the watchdog of the Constitution: "You mean it is Mr Balfour's poodle" (*1907*). And there was Sir Alec Douglas Home's counter in 1963 to Wilson's gibe about the 14th Earl: "I suppose Mr Wilson, when you come to think of it, is the 14th Mr Wilson."

Sometimes immortality comes to a phrase simply because it is funny or because it seems the most just. Consider Churchill on Ramsay MacDonald in 1931: "I remember when I was a child being taken to the celebrated Barnum's Circus... the exhibit which I most desired to see was the one described as 'the Boneless Wonder'. My parents judged that the spectacle would be too revolting for my youthful eyes, and I have waited 30 years, to see the Boneless Wonder sitting on the Treasury Bench."

Dennis Healey's description of an attack by Geoffrey Howe (*June 14, 1978*) as like "being savaged by a dead sheep" has also caught its way into the record.

Indeed the memorable phrases of politics are often neither witty nor blunders. They are self-revelations. The public wants to see its top politicians as personalities. It leaps on the utterance that epitomizes the man, Asquith's "Wait and See" (*May 4, 1910*), Baldwin's "My lips are not yet unsealed" (*October 2, 1935*) and Wilson's "A week is a long time in politics" (*1964*) encapsulated much of their premier-ships. And we would not remember the outburst "stark, staring bonkers" (*October 12, 1964*) if it had not been said by Lord Hailsham.



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LONGBOW OR SHIELD?

In the extracts from his book *The Button* which has been serialized in *The Times* this week, the author Daniel Ford suggests that the nuclear defences of the USA are so vulnerable to a Soviet attack that an administration might be left with little choice of survival in a global emergency other than to fire first. Such an analysis must be one of the strongest factors in favour of the development of the strategic defence initiative. It would relieve the USA from its current position of having to rely only on the threat of retaliation to deter the Soviet Union from firing first.

According to the book the Soviet Union is under no such illusion and has built up a formidable system of nuclear defences already. There are more than 2,000 bunkers capable of protecting 110,000 Soviet military officials and Party leaders. The author goes on to say that Soviet leaders have not yet built a cast iron network of shelters at the centre, but he overlooks the fact — certainly known to NATO — that the Kremlin has for two years been constructing the biggest bunker ever. It involves about 100 miles of tunnelling south of Moscow to a depth of at least 700 metres with a virtually impenetrable control centre at its heart. The whole operation has involved tens of thousands of specially screened workers and has cost billions of pounds. We have not yet heard any details of that during the arms control discussions in Geneva (which resumed yesterday), but the existence of such a network combined with the enormous increase in offensive weapons, leads to a sombre conclusion about Soviet offensive preparations.

Such a defensive network has coincided with an enormous research and development effort

into missile defences. Even this year the Soviet effort dwarfs the equivalent American programme for the strategic defence initiative. And yet Mr Gorbachev has the cynicism to insist that the Americans discontinue their research programme while he presumably hurries on with his.

It was thus reassuring to hear President Reagan state so emphatically again that the SDI is not negotiable during its research and development phase. It is not a bargaining chip at Geneva in exchange for purported reductions in the number of offensive Soviet missiles targeted on Europe. However, come the moment of deployment for any strategic defensive system, the President would then engage the Soviet leadership in discussing the attractive consequences of such a system: massive reductions in offensive missiles.

The President was as clear as he has always been in his fundamental commitment to the philosophy and morality of strategic defence in preference to the fundamental immorality of not searching for a possible alternative to the doctrine of mutual retaliation as the sole means of defence in the nuclear age. It is not as if the world was short of evidence which showed that the Soviet Union is fully engaged in developing strategic nuclear defences. Why therefore is there this pressure on President Reagan to desist from a research programme which would at the very least tell us whether or not the Soviet Union could achieve a break-through in defensive systems and, if so, give us the opportunity to acquire such a system ourselves?

What is quite clear is that the President has been persistently let down by his bureaucracy, mostly, but not exclusively, in the State department. Some

members of the negotiating team at Geneva are also to blame. These officials have been determined to turn the SDI programme into a bargaining chip to be traded if necessary for Soviet proposed reductions in nuclear missiles trained on Europe. They have misrepresented the President all along and even yesterday were referring to his "intransigence" simply because he has once again re-asserted his principled approach to SDI. He should not have to do so if he was served by a bureaucracy interpreting his views correctly rather than, in practice, giving West European allies and the Soviet Union a false impression that SDI would be on the table whatever the President had said. This official subversion in the administration goes deeper, by casting doubts on the technical feasibility of the SDI programme when all the technical achievements of the last two years shows its increasing potential.

Mr Reagan also dealt with the recently successful American test of an anti-satellite weapon system. It is the same story as with SDI, in the sense, as he said, that the United States "were playing catch up". The Soviet Union has completed its testing programme of anti-satellite missiles. Could the West stand by and concede to the Soviet leadership a monopoly in the ability to shoot down satellites when so much depends on them in meteorology, civil and military communications and the ability to monitor major aspects of Soviet arms expansion? The President's difficulty is that, great communicator though he may be, his message is clouded by an unorganized and often dissident bureaucracy, and countered by an effective Soviet propaganda machine playing on the latent anti-Americanism of so many educated Europeans.

WHAT'S A SPY AMONG GERMANS?

There is a sharp unintended irony in the West German Social Democrats' loud demands for the resignation of the interior minister, Herr Friedrich Zimmermann, over the latest round in West Germany's most serious spy scandal for a decade. For years they have been denouncing Herr Zimmermann as a dangerous right-winger who would savage civil liberties by ordering extensive police snooping, phone-tapping and the like. Now suddenly they are denouncing him for not ordering somebody's phone to be tapped and mail to be opened. Of course that somebody, a secretary in the Chancellor's office, has in the event proved to be an East German spy. But an observer naive enough to expect fairness in politics might justifiably feel that the opposition could give the interior minister some credit for erring on the side of tolerance — indeed of an almost too delicate regard for the civil liberties of a secretary mole.

That said, there is clearly quite as much base party politics in Chancellor Kohl's evident desire to keep the minister in office, as in the opposition's campaign to hound him out of it. Herr Zimmermann belongs to Herr Franz Josef Strauss's Christian Social Union (CSU) party. Herr Strauss wants his man to stay. Chancellor Kohl is, to put it

mildly, not eager to provoke Herr Strauss. If the interior minister had happened to be of another party — for example, of the Chancellor's own Christian Democratic Union (CDU), then Herr Strauss' would probably have been the first to disown him.

The actual merits of the minister's case are rather finely balanced. If the interior minister had to resign every time a secretary mole was uncovered, West Germany would have had more interior ministers than post-war Italy has had governments. On the other hand, Herr Zimmermann does seem to have been peculiarly lax in ignoring specific warnings given him by his senior officials, and as a result he does appear to have lost the confidence of much of the internal security apparatus.

Perhaps more interesting, and in the long term more important than the domestic political issue which divides the Bonn parties, is the foreign (or half-foreign) issue which unites them. Their leaders have all declared, in loud unanimity, that the steady improvement of relations between the two German states — the consensus *Deutschlandpolitik* — must not be disturbed by the spy scandal. The East German leader, Herr Honecker, is obviously happy to agree. Herr Strauss made this intention plain when

he met Herr Honecker at the Leipzig trade fair at the height of the first round of spy trouble. Now his old arch-opponent, Herr Willy Brandt, (himself of course the victim of an inner-German spy scandal in 1974), is being received with signal honours in East Berlin, and proclaiming his party's keen interest in the further development of *Deutschlandpolitik*. More controversially, he has chosen this occasion to reaffirm the SPD's slippery notion of a "security partnership" between East and West.

Clearly there is a substantial consensus in Bonn behind the view that a degree of East German espionage penetration is an inevitable, though regrettable, concomitant of preserving close ties with the other Germany — a vital national interest. This view is not always so readily accepted in other NATO capitals; particularly in Washington, which must be worried about its latest military technology going East, so to speak, through NATO's front door. The tension between these two priorities is unlikely to diminish. But there is no reason to believe that we cannot preserve a reasonable balance between them; at least so long as the geo-political fantasies of the SPD left or the Greens do not become the policy of a government in Bonn.

THE SCANTABOUT SYNDROME

The parents who have kept their children at Scantabout Primary School (the majority) are more sensible and, more charitable than the parents away. Not that anyone should be quick to criticize the latter. It cannot be said that attendance at the school of a haemophilic boy with the Aids virus antibodies present in his blood is totally devoid of risk to the other children. And fear for one's child's safety in respect of the dread disease of Aids does no one discredit. It can however be said with confidence that the risk to the other children is so small as to be acceptable along with innumerable other tiny risks of huge disasters as part of everyday life.

In the first place a positive reading in the HTLV3 antibodies test does not always mean the virus is present. If the virus and infection are present it can be transmitted only by blood and semen transfers as far as is yet known. The latter risk can be presumed to rest on the Scantabout premises. The former can be well guarded against by special investigation such as the education authority is providing.

It is thought that some hundreds of haemophilic schoolchildren in Britain may have been exposed to the virus through contaminated batches of blood-clotting agents imported

from America. Normally medical ethics would require confidentiality concerning the result of Aids antibodies test, and the balance of argument on grounds of public health still endorses confidentiality. If, however, schoolchildren in that position require special supervision for the sake of their classmates, as Hampshire education authority has concluded, then it will not be long before the reason becomes known.

At that point it is essential that the other children and parents are given all the information they need for a rational appreciation of the risks involved. If they are, few of them will panic. That will be for the good of their own children, whose schooling will not be interrupted; for the good of the unlucky haemophilic children, who will not be condemned to segregation from their peers; and for the general benefit of society, in avoidance of the implantation of irrational fears. Aids is bad enough without having its victims ignorantly stigmatized like the lepers of old.

The future of the Public Health Laboratory Service is of direct relevance to the containment of Aids, though it is of much wider importance too. An internal DHSS review has recommended that the centralized organization be broken up and the 52 outlying laboratories transferred to health authorities.

Significant, though unspecified, savings in the PHLS's £37 million running costs are claimed for the reorganization. It was an administrators' review. The two medical advisers, who warned against dismemberment, observe that if any detailed analysis was made of the cost-effectiveness of the present and proposed systems, the findings do not appear in the report.

From the outside the claim of significant savings looks improbable. To be effective a nationwide system of diagnostic virology and epidemiological surveillance of communicable diseases must operate in a way that is highly standardized and capable of rapid response. Has the cost been counted of building into a collection of over fifty separated units characteristics inherent in the unified system it would replace? And have the external costs of a probably less efficient diagnostic, reporting and initiating system been counted? The Public Health Laboratory Service is held in high professional regard here and abroad. Its contribution over more than forty years to the control of such diseases as tuberculosis, diphtheria, typhoid, scarlet fever and poliomyelitis is on the face of the record. No doubt it could be run to better advantage with keener cost-consciousness. The DHSS review has much to contribute in that way. But its strategic proposal of administrative dismemberment is misconceived.

Fear of pensions repercussions

From the Secretary of the Institute of Chartered Secretaries and Administrators

Sir, The Institute of Chartered Secretaries and Administrators, whose members administer many pension funds and are to be found everywhere in the pensions industry, strongly supports the views expressed by the Prudential Corporation (Finance and Industry editorials, September 14 and 17).

The institute continues to express its clear disagreement with the proposal to abolish Serps (State earnings-related pensions scheme) and the proposals for "personal pensions" Serps benefits could be modified. The case for abolition has not been made out. Existing final salary pension schemes will be damaged by the new proposals.

The effect will be to equalize pensions at a lower level; but the difference between one person with pension expectations based on minimal 4 per cent joint contributions and another who belongs to a good quality final salary scheme will probably be greater than that between one person with Serps entitlements and another in contracted out employment. Indeed it is difficult to see who benefits from the pension proposals apart from the marginal leavers.

The fact of an increased incidence of poverty amongst the elderly will produce pressure on the State to intervene to top up inadequate personal pensions — a regressive outcome.

Above all, as an institute whose principal purpose is the promotion of administrative efficiency, we are seriously concerned that the shift in responsibility for pension provision from the State to employers and individuals will result in sharp and increasing increases in administrative cost. It is ironic that in the same month we are being asked to comment on the Government's proposals for reducing the "burden on business".

Yours faithfully,
B. BARKER, Secretary.
The Institute of Chartered Secretaries and Administrators,
16 Park Crescent W1,
September 18.

From the Director General of the British Institute of Management

Sir, You mention (Finance and Industry, September 17) that Norman Fowler's Green Paper proposals are likely to generate a flood of pension schemes contracting back into Serps and suggest that this will cause headaches for the Government. The British Institute of Management has been advised that many companies will not only contract back, but will also buy back the guaranteed minimum pension, which would result in a very substantial immediate increase in Government income, with no immediate increase in outgoings.

While a short-term boost to public funds running into billions may appear attractive to a Government with an election in sight, this would greatly increase the cost of phasing out Serps in the longer term.

Once again this Government may be in danger of feeling misadvised as it throws pensions into the political arena.

Yours faithfully,
JOHN CONSTABLE,
Director General,
British Institute of Management,
Management House,
Parker Street, WC2,
September 17.

737 air disaster

From Mr Richard Wakeford

Sir, A disturbing aspect of the Boeing fire at Manchester Airport was the apparent lack of any visual record of this, something which would presumably have been of great value to the accident inspectors.

As the vast majority of aircraft accidents take place either on take-off or on landing, would it not be appropriate to the Civil Aviation Authority to require all major airports to have a video camera and recorder pointed at the main runways during operational hours?

Yours faithfully,
RICHARD WAKEFORD,
Cambridge University School of Clinical Medicine,
The Clinical School,
Addenbrooke's Hospital,
Hills Road,
Cambridge,
September 17.

Tibet and China

From the Ambassador of the People's Republic of China

Sir, After reading the two interviews about Tibet as published in *The Times* on August 19 and 20, I feel it necessary to set forth some facts about Tibet in the past and present.

1. Tibet is part of China's territory, a fact known in the long development of history. During the Tang dynasty in the seventh century AD there was a great development of friendly contacts between the Hans and the Tibetans. In the Yuan dynasty, Tibet's unification with the fatherland became further consolidated. In the Qing dynasty, the political and religious systems in Tibet were all regulated by the then central government.

In the years to follow, notwithstanding the numerous changes of the central government or of the local governments in Tibet and despite the instigations, disruptions and interferences by external forces, nothing could alter the fact that Tibet is an integral part of China.

In 1951, after the signing of the 17-article Agreement on Measures for the Peaceful Liberation of Tibet in Beijing, the local government of Tibet and the Dalai Lama sent messages to the Central People's Government and Chairman Mao to

Procedures on a hung Parliament

From Dr Geoffrey Marshall, FBA

Sir, I doubt that "the best authorities", or any others, agree that "if Labour emerged as the largest party without an overall majority... the Queen would send for Mr Kinnoch" (*The Times*, September 18).

The Queen does not necessarily have to send for anyone as the immediate result of an election, as Mr Harold Wilson pointed out in 1974.

There were suggestions in March, 1974, that as Labour had more seats than any other party, though not a plurality in the Commons, the Sovereign should have sent at once for the Labour leader. This is not so. A Government was in existence and until it resigns... the Palace can only observe the classical doctrine, "We have a Government" (*Final Term*, p 11).

If Parliament is truly hung there will be no obligation on the present Government to resign until defeated in the House. There will thus be time for Messrs Owen, Steel and Thatcher to decide whether they can agree on a programme and sustain a government.

If they cannot, then at that point (as in Mr Edward Heath's case in March, 1974) the Prime Minister will resign or carry on until defeated. Mr Kinnoch, or whoever is the leader of the largest alternative party, would then be sent for.

If he in turn could not find a majority to support his programme he would not be entitled to dissolve, but there would probably be no practical alternative to dissolution and a further election. So the Queen and her advisers are right to lose no sleep, even if some politicians seem to be losing theirs.

Yours faithfully,
GEOFFREY MARSHALL,
The Queen's College, Oxford,
September 18.

From Sir James Cable

Sir, Mr Steel is not altogether correct in believing (your issue, September 18) that the royal prerogative of refusing a dissolution has not been exercised in Britain for more than 100 years.

On December 5, 1916, Asquith, the Liberal Prime Minister, resigned. King George V invited

Bonar Law, leader of the Unionist Party, to form a government. When Bonar Law sought to make his acceptance conditional on the granting of a dissolution, the King refused.

By December 7 Lloyd George had recruited enough support to form a coalition government, which won an election two years later.

It may be argued that the circumstances were exceptional because there was a war on, but the British Constitution is little more than a collection of exceptional precedents.

Yours faithfully,
JAMES CABLE,
8 Essex Close, Cambridge,
September 18.

From Mr Dominic Grieve

Sir, I disagree with the reasoning of Mr Allott in his letter to you of today (September 18).

His anxiety, if I understand him correctly, is that our constitutional convention dictates that the Queen has the duty to act on the advice of her ministers. She should not be seen to be acting without advice in her choice of a prime minister in the event of a hung Parliament.

Surely the more important convention is that Her Majesty's Government and ministers appointed by the Queen must enjoy the confidence of a majority in the House of Commons in order to hold office. It follows that the Queen's room for choice is already circumscribed by the will of the Commons, her powers and duties in this regard inextricably mixed.

To appoint a surrogate broker in the form of a Speaker or some other member of the "great and the good" seems therefore to be a useless irrelevancy. Furthermore, it introduces the idea of a cabal of political leaders interfering in the direct relations between the Commons and their sovereign.

I am, Sir, your obedient servant,
DOMINIC GRIEVE,
Harcourt Buildings,
Temple, EC4,
September 18.

Diet and heart disease

From Dr G. H. Fowler

Sir, Drs Kidner and MacNair (September 12) emphasise the important distinction between relating blood fat-cholesterol and dietary fat to coronary heart disease. But to state that "The recommendation to alter our national diet is based on an unproven hypothesis which may be totally wrong" is dangerously complacent.

While — as in most fields of medical knowledge — evidence falls short of absolute proof, there is substantial national and international expert consensus that "Western" high-fat, low-fibre diets contribute to coronary heart disease (and other ailments). Continuing failure to acknowledge and act on this contributes to this country's heading the international league table of premature coronary heart disease deaths.

Debate about the relative virtue of identifying and helping "high-risk" individuals rather than general population is misplaced. The two approaches are essentially complementary.

Victim reparation

From the Dean of York

Sir, Your Home Affairs Correspondent, Peter Evans, reports (September 17) good news about reparation for some victims of crime. No doubt the rehabilitation of some offenders will be helped. The four schemes which the Government are funding are steps in the right direction and show a significant concern.

Unfortunately, a large number of victims will remain unpaid because a high proportion of crime remains unsolved. Mr David Mellor says: "We have supported the burgeoning victim-support movement. But we want to do more."

Perhaps he will now look to see how the support of which he speaks can be made rather more effective than it is at present. The needs of a much larger number of victims would be met this way at little extra cost. Their problems are undeserved and their needs immediate.

Yours sincerely,
JOHN SOUTHGATE,
The Deanery,
York,
September 17.

In carrying out both of these — screening the population to identify those with high levels of "risk factors" and educating the population at large — the "mobile screening clinics" referred to by Drs Kidner and MacNair do not compare in potential, feasibility, acceptability or effectiveness with "screening" in general practice.

Almost a million people, daily cross the thresholds of surgeries and health centres in this country. Research has shown that an approach using the opportunity of these contacts and involving nurses may be very appropriate for preventive medicine and health promotion.

It is feasible, practicable, relatively cheap and, most importantly, acceptable to patients — especially those likely to be at risk and least likely to attend special screening clinics.

Yours,
GODFREY FOWLER,
University of Oxford,
Department of Community Medicine and General Practice,
Radcliffe Infirmary, Oxford,
September 13.

Tonto to the rescue?

From Dr Mark Davis and others

Sir, British Telecom have recently introduced a combined business computer and "intelligent terminal" called Tonto. We cannot help wondering why it was given this distinctly foreign name rather than some homey, red-hatched, half-timbered name like Derwent or Westwater, similar to the names of those user-friendly computers on BT's Prestel network.

Tonto was, of course, the Lone Ranger's faithful sidekick, and this may be what BT had in mind. But foreign it is, and turning to the Larousse Spanish dictionary we find the following definition:
Tonto adj. foolish, stupid, dumb, idiotic.

— m. y. f. fool, dolt, idiot. *¡Que tonto!* what a fool!
We hope that shareholders will find this reassuring.
Yours faithfully,
MARK DAVIS,
DAVID PUGHMIRE,
Department of Electrical Engineering,
Imperial College of Science and Technology,
Exhibition Road, SW7,
September 16.

ON THIS DAY

SEPTEMBER 20 1871

The Society of St Tammany was formed in 1789 — its officers were given Indian titles — sachem, etc. The name grew to be applied to the Democratic party structure in New York. Corruption reached a climax under grand sachem William M. Tweed who practically controlled New York State. In 1873 he escaped from jail, fled to Spain, from where he was extradited in 1878, and died in jail in 1878.

[CORRUPTION IN NEW YORK]

There seems at length some hope that the citizens of New York will make a vigorous effort to purge their Municipal Administration from the corruption by which it is now rendered infamous. In consequence of the exposure by the *New York Times* a meeting was held on the 4th of this month, in the Cooper Institute, which seems to have been one of the largest ever assembled in the city... It is described as most indignant and enthusiastic; and a reporter declares, in the *New York Times*, that if Messrs. HALL, COKOLLY, SWENNY, and TWEED could have heard the curses, hisses, and denunciations which were heaped on them by the audience and the speakers they must have been crushed on the spot. "The officials of New York are accused of the most wholesale and barefaced robbery. They have taxed the City and mortgaged its property for the payment of accounts which, as was justly said at the meeting, 'are not merely monstrous; they are manifestly fabulous'."

They pretend, for instance, to have paid to one firm the sum of more than five million dollars, or more than a million pounds, "for chairs, carpets, etc." for the municipal buildings, and they now turn out a sum of \$70,000, for plastering and repainting. Under their administration the debt of the City has increased since 1869 from six millions to twenty millions, while the revenue is more than four millions a year. In consequence, as was stated at the meeting, the burdens of local taxation are grievously oppressive to all classes in New York, and are damaging the prosperity of the City, while the men who are responsible for this fabulous expenditure have sprung into sudden wealth and are living in extravagant luxury... The question is anticipated almost inextricably with party politics. Tammany Hall is the centre of the Democratic interest of New York, and to overthrow its power would be to sacrifice a potent instrument of Democratic supremacy. One of the most moderate and sensible speakers at the meeting of the 4th says his audience "must be aware of the fact 'that Democrats, who thoroughly despise corruption, still hesitate, from what I believe to be a too narrow view 'of party obligation, to join heartily in the movement for the punishment and 'prevention of fraud.' This is indicated by the care taken by most of the speakers to vindicate themselves from the imputation of party motives. Many of the Democrats, indeed, perceive that this dishonest and selfish abuse in the end be ruinous to their party; but the 'chains of party discipline are strong in America, and it seems almost impossible to emancipate the mass of citizens from the delatation of their leaders. Moreover, it is greatly doubted, even by a prominent Democratic speaker at the meeting, whether the honest citizens have the means of making their voices heard. As the Democrats are in power, they appoint a majority of the election officers, and by judicious bribes they can silence the few Republican officials who are supposed to protect the interests of the other party. The consequence is that the elections are systematically vitiated by the wholesale employment of these notorious methods of fraud — 'the repeating 'dodge,' 'the ringing dodge,' and 'false counting.' Gangs of 'repeaters' are organized, 'whose first duty it is to 'have their names recorded in as many 'elections as possible, usually from a 'dodge to fly.' They go round to the polls in gangs, with their captains, and when their own votes have been fully recorded they take on them to represent the respectable citizens who abstain from voting. Ringing the bells, shouting, and making a 'very 'beautiful operation, and is described 'by those who have tried it to be 'nearly perfect.' It is now 'the 'favourite plan; it is simple, inexpensive, and effective.' It consists in a single dishonest man, by which, when a Republican comes with his ticket, the inspector quietly drops it on the floor and substitutes another of the right colour. False counting is generally done 'by transferring the figures bodily.' It also is 'an exquisitely simple process,' but in practice it is said to work badly. It is capable, however, of variations which render it a useful alternative. The Democratic party leaders, supported by such devices as these, have practically the command of the constituency of New York, and more than one speaker appeared not a little doubtful how far this tyranny could be shaken off..."

I am, Sir, your obedient servant,
DOMINIC GRIEVE,
Harcourt Buildings,
Temple, EC4,
September 18.

There is a sharp unintended irony in the West German Social Democrats' loud demands for the resignation of the interior minister, Herr Friedrich Zimmermann, over the latest round in West Germany's most serious spy scandal for a decade. For years they have been denouncing Herr Zimmermann as a dangerous right-winger who would savage civil liberties by ordering extensive police snooping, phone-tapping and the like. Now suddenly they are denouncing him for not ordering somebody's phone to be tapped and mail to be opened. Of course that somebody, a secretary in the Chancellor's office, has in the event proved to be an East German spy. But an observer naive enough to expect fairness in politics might justifiably feel that the opposition could give the interior minister some credit for erring on the side of tolerance — indeed of an almost too delicate regard for the civil liberties of a secretary mole.

That said, there is clearly quite as much base party politics in Chancellor Kohl's evident desire to keep the minister in office, as in the opposition's campaign to hound him out of it. Herr Zimmermann belongs to Herr Franz Josef Strauss's Christian Social Union (CSU) party. Herr Strauss wants his man to stay. Chancellor Kohl is, to put it

mildly, not eager to provoke Herr Strauss. If the interior minister had happened to be of another party — for example, of the Chancellor's own Christian Democratic Union (CDU), then Herr Strauss' would probably have been the first to disown him.

The actual merits of the minister's case are rather finely balanced. If the interior minister had to resign every time a secretary mole was uncovered, West Germany would have had more interior ministers than post-war Italy has had governments. On the other hand, Herr Zimmermann does seem to have been peculiarly lax in ignoring specific warnings given him by his senior officials, and as a result he does appear to have lost the confidence of much of the internal security apparatus.

Perhaps more interesting, and in the long term more important than the domestic political issue which divides the Bonn parties, is the foreign (or half-foreign) issue which unites them. Their leaders have all declared, in loud unanimity, that the steady improvement of relations between the two German states — the consensus *Deutschlandpolitik* — must not be disturbed by the spy scandal. The East German leader, Herr Honecker, is obviously happy to agree. Herr Strauss made this intention plain when

he met Herr Honecker at the Leipzig trade fair at the height of the first round of spy trouble. Now his old arch-opponent, Herr Willy Brandt, (himself of course the victim of an inner-German spy scandal in 1974), is being received with signal honours in East Berlin, and proclaiming his party's keen interest in the further development of *Deutschlandpolitik*. More controversially, he has chosen this occasion to reaffirm the SPD's slippery notion of a "security partnership" between East and West.

Clearly there is a substantial consensus in Bonn behind the view that a degree of East German espionage penetration is an inevitable, though regrettable, concomitant of preserving close ties with the other Germany — a vital national interest. This view is not always so readily accepted in other NATO capitals; particularly in Washington, which must be worried about its latest military technology going East, so to speak, through NATO's front door. The tension between these two priorities is unlikely to diminish. But there is no reason to believe that we cannot preserve a reasonable balance between them; at least so long as the geo-political fantasies of the SPD left or the Greens do not become the policy of a government in Bonn.

Significant, though unspecified, savings in the PHLS's £37 million running costs are claimed for the reorganization. It was an administrators' review. The two medical advisers, who warned against dismemberment, observe that if any detailed analysis was made of the cost-effectiveness of the present and proposed systems, the findings do not appear in the report.

From the outside the claim of significant savings looks improbable. To be effective a nationwide system of diagnostic virology and epidemiological surveillance of communicable diseases must operate in a way that is highly standardized and capable of rapid response. Has the cost been counted of building into a collection of over fifty separated units characteristics inherent in the unified system it would replace? And have the external costs of a probably less efficient diagnostic, reporting and initiating system been counted? The Public Health Laboratory Service is held in high professional regard here and abroad. Its contribution over more than forty years to the control of such diseases as tuberculosis, diphtheria, typhoid, scarlet fever and poliomyelitis is on the face of the record. No doubt it could be run to better advantage with keener cost-consciousness. The DHSS review has much to contribute in that way. But its strategic proposal of administrative dismemberment is misconceived.

Yours faithfully,
MICHAEL NORTHEY,
4 Woodland Rise,
Lydney, Gloucestershire,
September 17.

THE ARTS

Television
The key to detection

There is no doubt that *Rough Justice* (BBC1) serves both a private and a public purpose — a private one for those whose convictions are cast in doubt by its investigations, and a public one in the sense that it reveals the incompetence of the police or the dilatoriness of the Home Office in the process. It has become a more popular version of the Ombudsman.

Last night's programme concerned the unhappy history of Anthony Steel, a young man convicted and imprisoned for murder — the evidence for which seems to have consisted of a confession, retracted almost at once, and of a key ring in the shape of a fish. It seems odd that the fate of a man can be decided by such factors, but what was equally extraordinary (although apparently quite common) was the way in which the anxieties of Steel under police questioning prompted him to declare himself guilty.

The programme was called "The Case of the False Fish", a title reminiscent of the more orthodox forms of crime fiction

and one which suggested that, although the programme does indeed perform a public service, those who watch it probably do not do so out of a sense of social responsibility. I suspect it is popular for precisely the same reasons that *Holmes* or any other detective-series is popular: here, also, the excitement of a violent crime is combined with the thrill of detection.

Like those who read biographies rather than novels on the puritanical grounds that they can be informed at the same time as they are entertained, those who watch *Rough Justice* can also claim to be enlightened and even aroused to indignation as they also witness the unfolding of plot and character. There is nothing wrong with this, of course, and in any case dramatic narrative and factual content are often aligned in this way. Those later freed on the evidence (and Anthony Steel's conviction looked remarkably thin) have extra reason to be grateful.

Peter Ackroyd

Theatre
Bleak and bitter comedy

The Lemmings Are Coming

Watermans Arts Centre, Brentford

Built on a derelict gasworks site off Brentford High Street, the Watermans Arts Centre turns out to be a luxurious and welcoming address rivaling the Riverside Studios as a multi-activity powerhouse, and — with its long Thames-side prospect of the wildlife sanctuary of Brentford Ait — the most idyllically-located performance space in London.

To round off its first year's operations, the centre is presenting its first in-house show. A remarkable production by the resident director, John Baraldi, it is drawn from his previous experience of working with the jobless young in Glasgow, which led variously to the Bill Forsyth films and to the formation of an unemployed youth theatre company. On *Yer Bike* which now reaches London with one of the original cast and three of the actors from *Gregory's Girl* and *That Sinking Feeling*.

The Lemmings Are Coming tells the tale of a group of young Glaswegians who quit the Scottish dole queues to try their luck in London. Cramped into a Battersea flat, they are just about making ends meet as hospital porters and ticket punchers while "nourishing"

dreams of escape. By common agreement, their living room is to be vacated for anyone who comes home with a girl, but after two years no one has yet claimed this right.

The plot hinges on the arrival of a newcomer, Billy (John Langford), a middle-class LSE student who replenishes the dried-up kiddy with weekly handouts from his father; and then enacts his own dream by going into punk black leather and dropping out of college.

This act of self-indulgence is the theme of one of Paul Higgins's increasingly bitter, scathing, and satirical songs as it gradually dawns on the boys that all they have done is to have formed a Scottish ghetto, and that they are still going nowhere.

Utterly bleak in what it has to say, the piece is saturated in Glasgow wit and extremely funny. It builds comic patterns from daily habits and group routines (as when the boys go into a chorus of "Black Eyes" at every mention of Gypsy Creams), and shows them getting fun out of each other's weak points.

In its power to dig up comedy from raw experience and present characters so truthful that they can act against their own grain, this is a worthy companion piece to the Forsyth films, and yields performances of matching quality from John Gordon-Sinclair and Robert Buchanan.

Irving Wardle

Witchcraze

Battersea Arts Centre

The ideologues of latter-day feminism have long since taken the historical victims of witch-hunting to their collective bosom, seeing in their unhappy fate the most egregious example of institutionalized misogyny. There is much to be said in favour of this view; and there is plenty of evidence that those victims who really did meddle with herbs and familiars represented the survival of a primordial matriarchal religion.

The great problem in all this is that the modern writers who proselytize on the subject seem incapable of coherence, let alone of persuasive power. Perhaps, as with many worthy themes, the facts speak too plainly for themselves. Bryony Lavery's new play for the Women's Theatre Group jumps into a quagmire of cliché with such blitheness that the suspicion of self-parody is never entirely dispelled.

An oddly androgynous figure in a face mask (Stephanie Pugsley) buttonholes the audience in the tones of a *Listen*

With *Mother* announcer, and having delivered some pretty standard feminist graffiti, she introduces her conspirators in the evening's charades (Eileen George and Diane-Louise Jordan).

The reworking of cultural history which follows is unenlightening, largely uninformed, and staggeringly naive. God comes in for a bad press and so too does the profit motive while the male sex consists entirely of fools and villains. We learn (again) that the flying sensations reported by witches may be attributed to their abuse of acetic and belladonna. We are subjected to a ponderous, life-size Punch and Judy show in which Master Punch, delivered by the dragon-midwife, is borne away by his doing Dad to be indoctrinated in the principles of greed and woman-hating.

Finally, we get round to the litany of complaints about witch-hunting, and to the last tableau where the three players hold their besoms behind their backs to form the stakes and brushwood of their execution — perhaps the nearest touch in Nona Sheppard's production.

Martin Cropper

The Official Version (15)

Curzon, West End

Queen Kelly (PG)

Everyman Hampstead

Code of Silence (18)

Classics Haymarket, Oxford Street

The Holcroft

Covenant (15)

Cinecenta Pantom Street, ABC Edgware Road

The Official Version (La Historia Oficial), which was shown at this year's Cannes Festival (its star, Norma Aleandro, shared the Best Actress award with Cher) appears to be the first Argentine film to achieve commercial distribution in this country for at least a quarter of a century. The film affirms the post-Malvinas spirit: the catastrophe of the Anglo-Argentine conflict resulted in a new self-awareness and critical reevaluation of the years that had gone before, with all the tyrannies and the bad consciences.

Luis Puenzo's previous career, as a director of commercials and a couple of unremarkable features, gave little promise of the power and accomplishment of this film, which he co-wrote with Aida Bortnik. It deals with the painful subject of the "desaparecidos" — the people who disappeared without trace in the bad years — but approaches the issue through the experiences of a couple who are to all outward appearance quite uninvolved. Roberto and Alicia (Hector Alterio and Norma Aleandro) are a nice, ordinary, well-to-do middle class couple, serenely contented with their marriage, their home, their friends and their beautiful adopted daughter.

For Alicia, a teacher of history, the first shadow of doubt comes when her young students question the "official version": "History" one of them tells her, "is written by the winners". A friend returning from exile opens her eyes still wider to the realities of the recent dictatorship. Alicia begins to question her husband's account of where he found their adopted daughter: is she perhaps the child of *desaparecidos*? The surmise becomes certainty when Alicia seeks out the child's grandmother. Painfully she recognizes her own passive complicity, and learns of her husband's direct involvement in the shameful past.

With an intelligent script, Puenzo's confident direction, and outstanding performances,

The Official Version delivers its political message without ever allowing the touching, human story to turn into tractarian schematics. There is even a possibility still to pity Roberto after the lies of his past are exposed. Yet, while Puenzo stays true to its small, personal story, his film has much wider application, speaking of the perils that face the ordinary, well-meaning people in every society, who through ignorance and acceptance passively condone and promote the misdeeds of their leaders.

Piece by piece the classic canon of the cinema is being restored. The latest masterpiece to be put to rights, as near as may be, is *Queen Kelly*. The production began in 1927 when Gloria

Swanson's adoring patron Joseph Kennedy (father of the Kennedy clan) commissioned Erich von Stroheim to direct the star in a scenario of Stroheim's own devising, originally entitled *The Swamp*.

Swanson played Kitty Kelly, a convent girl living in a small German kingdom, who attracts the attention of the libertine Prince Wolfgram. The affair angers the despotic Queen Regina, who intends Wolfgram for her consort. After attempting suicide, Kelly is called to the side of her dying aunt in German East Africa, where she inherits Auntie's brother, along with the hand of a hideous but rich old degenerate.

Farraginous as it may sound, such of the film as was completed confirms Stroheim's ability to give conviction and

integrity to the most extravagant incident, simply by his documentary detailing of setting, costume and above all human behaviour, even when seen at its most neurotic and depraved.

The film was destined however, like other Stroheim projects before it, never to be finished. After three months Swanson dismissed Stroheim, and herself directed a suicide scene to make the first episode (before Kelly's trip to Africa) complete in itself. The film was released like this, with an effective musical score (which is used in the new version). Stroheim's career as a director was virtually at an end.

In recent years edited sequences from the African brothel scenes have come to light in the Swanson archives.

along with stills, scripts, titles and notes to indicate Stroheim's intentions. This fragmentary evidence has now been edited together by Dennis Doros to provide the most complete version of *Queen Kelly* we are ever likely to see.

Much of the film is printed from the original negatives and is as fresh and luminous as if it were newly shot. This gives an extraordinary, time-machine immediacy to Stroheim's bizarre inventions. Although familiar from existing versions of the film, the famous scenes are still startling: the decadent Queen rising from her bed, clad only in a loose robe and a fluffily white cat, or enthusiastically horse-whipping the cowering Swanson. Among the new scenes, the most bizarre is the marriage of Kelly at the death-bed of her Aunt, with a black priest simultaneously performing the marriage ceremony and the last rites.

Code of Silence brings a new element of fantasy to a conventional lone-wolf cop story. Chuck Morris is the hero, single-handedly annihilating two warring Mafia gangs. Apart from the Mafia he has the Chicago police force to contend with, actively uncooperative because of his refusal to connive in the code of silence that protects a dangerously incompetent comrade.

The script and Andy Davis's direction maintain a hectic pace: Norris is a sympathetic ordinary kind of hero, and Henry Silva provides a chilling comic-book villain.

It is a shock to find John Frankenheimer, who in his better days made thrillers as effective as *The Manchurian Candidate* and *Seven Days in May*, as director of such a second-hand, second-rate piece as *The Holcroft Covenant*. It is worse to discover that the script, which would have disgraced a forties B-picture, and is the principal undoing of the present film, is credited to George Axelrod, in collaboration with Edward Anhalt and John Hopkins.

David Robinson

The bass Paata Burchuladze gives his first London recital tonight. He is, John Higgins reckons, one of the best exports so far from Georgia (USSR, not US)

The passionate provincial

It was Herbert von Karajan earlier in the year on this page who described Paata Burchuladze "the second Chaliapin". The occasion was a Deutsche Grammophon recording of *Don Giovanni* in which the young Georgian bass sings the Commendatore. Since then a number of people have agreed with Karajan and Burchuladze had become the bass the Western opera houses seem keenest to sign for the seasons ahead.

This week he has been in London for a Verdi Requiem at the Royal Festival Hall with Tennstedt and the LSO, for a Wigmore Hall recital tonight and for a recording of Verdi's *La forza del destino* (also DG), conducted by Giuseppe Sinopoli. Over the next few days his first recital disc is due out: when Burchuladze's name began to be known Decca stepped in quickly and signed him for extracts from *Boris* and four Verdi arias (CD Decca 414 335 2).

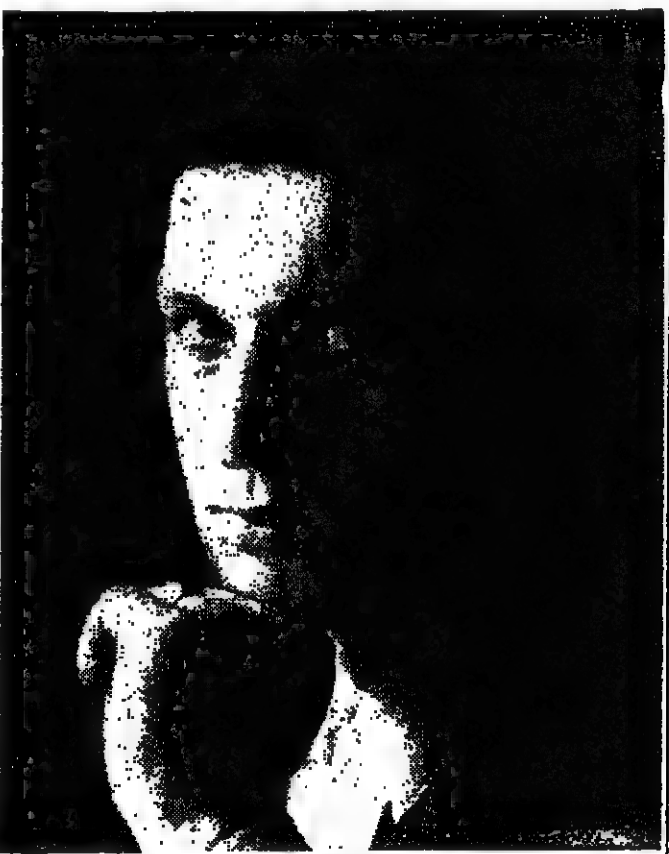
Burchuladze's ascent up the Western operatic ladder has taken little more than a year to achieve. His first major engagement outside Russia was at Covent Garden in the new production of *Aida* at the end of last summer. Practically everything about that opening night was a disaster, apart from Burchuladze's malevolent and dark-hued Ramfis. The staging already looks destined for the scrap-heap, but the Royal Opera House must take the credit for spotting Burchuladze very early on. Before that he had appeared only in Mussorgsky's *Salammbô* in Italy as far as opera beyond the confines of the USSR was concerned.

At 30 Paata Burchuladze is a burly, broad-shouldered and barrel-chested man, with the walk of a jovial bear. It is no surprise to learn that he was an accomplished rugby player in what he calls "my youth" and that hunting is his favoured recreation. He is passionate about Georgia, the province of Russia where he was born and grew up, and all things Georgian, right down to his cigarettes and chocolates consumed in his London flat. Legend has it that Jason and his Argonauts visited Georgia. Rather more recently it has given us Mikoyan, the Rustaveli Theatre Company and Burchuladze.

His career began when he was one of the four or five Russian singers who are chosen each year for training at the La Scala, Milan; the reciprocal part of the deal is that an equal number of Italian dancers go off to the Bolshoi Ballet. The arrangement has now been running for almost a quarter of a century.

That was in 1978 and three years later he won second prize, no first was given, at the annual Verdi Competition at Busseto singing, of course, five Verdi arias. Then came the Tchaikovsky Competition in Moscow and rather fewer Verdi arias, but Burchuladze did try on the jury "I've got plenty of nuttin'" from *Porgy and Bess* which has become something of a favourite number and is a very likely encore at the Wigmore Hall tonight.

Has he sung *Porgy* on stage? "No. Just extracts when I was a student in Tiflis. The role lies too high for me. But we do have the ballet of *Porgy* in the repertoire at Tiflis choros, rhapsied by Lavrovsky. He is not



Paata Burchuladze

Georgian, but he is married to one." Smile. Clearly the Georgian brotherhood is as close-knit as the Hungarian one.

The Tiflis Opera did carry with it one major advantage as far as Burchuladze was concerned: all operas there are performed in the original language. "I think the only other opera house in Russia where this rule applies is in Tallin [Estonia]. Georgians have to be linguists and everyone in the opera company is expected to be fluent in four or five languages. I find it quite natural to go stage and sing in succession Boris in Russian, Leporello in Italian, *Salome* in German and of course our own operas in Georgian."

It is unlikely that Western audiences will be hearing Burchuladze in more Georgian opera in the future, but he does go to La Scala for *I Lombardi* and *Nabucco*, to Vienna for *Lurva Miller*, back to Covent Garden in 1987 for *Don Basilio* (*Barbier*). The roles of Fiesco (*Simon Boccanegra*) and Phillip II (*Don Carlos*) are also being prepared. At that rate by the time Burchuladze reaches the ripe old age of 35 there will not be much new left to sing. What then?

"To sing everything better and more and more beautifully. And perhaps one day Don Giovanni. After Leporello and the Commendatore I would like to be Giovanni, perhaps in the way Siepi performed him. He was always the best."

CBSO/Rattle

Barbican

Bartók's orchestrated version of his Sonata for Two Pianos and Percussion has had a bad press, usually being disparaged as a tuppence-coloured popularization of the original. Last night, though, Simon Rattle and the City of Birmingham Symphony Orchestra made the instrumentation pull its weight, throwing beams of new light through the score and making one realize how the harmony relates back two decades to that of *The Miraculous Mandarin*. If the piece still failed to achieve its potential, the fault lay more with the soloists: the Labèque sisters, Jean-Pierre Drouot and Sylvio Guada.

Katia Labèque has a way of behaving as if discharges of 20,000 volts were being passed through her piano stool at odd intervals, which certainly looks right for Bartók's rhythm, but here was not accompanied by a comparable musical excitement. The sisters were far from perfect in ensemble, and the percussionists had not learned to play the hall. With all its wood cladding, the Barbican is practically a giant xylophone itself, and in the finale it bounced back Mr Drouot's solo rather too vociferously. One hopes these problems will be lessened by the time of tomorrow's repeat performance in Birmingham, which is to be broadcast.

No doubt there will also be some development in the account of Elgar's Second Symphony, which sounded very much like an outstanding performance in the making. Rattle comes to Elgar by way of Rachmaninov, Sibelius and Mahler, and the result is something not unlike the way Elgar came to Elgar. I am not sure if Rattle's preparations have included studying the composer's own recording, but he attained in the first movement a very similar wild exhilaration, straining at the leash, set going by an upbeat of enormous strength.

It was also good to hear so much orchestral detail: horns swooping up as if this were Richard Strauss, and a magical quiet section in the opening movement, out of which the main theme was conjured with marvellous sleight of hand. Other things were less right, particularly the riot of percussion in the slow movement, and some of the irregular phrasing in the scherzo went awry. But at least this was Elgar without dead nobility.

Paul Griffiths

LPO / Tennstedt

Royal Festival Hall

Not for Klaus Tennstedt the flickering flames of Verdi's hellfire when he conducted the *Requiem* to launch the London Philharmonic Orchestra's new South Bank season last night.

Concerts

Wild exhilaration in orchestration

"Instead he preferred to generate a slow, staid incandescence of spirit and feeling, sometimes quite beautiful in the orchestra's response, particularly in the softer passages and the dying embers at the ends of movements, and suggesting more of the solemn ritual within them."

At times it extended his solo singers, as when Julia Varady became a touch tentative at some of her soprano entries before calling on her innate musicianship for support, and eventually reaching a secure and affecting account of "Libera me" at the end. Waltraud Meier was consistently heart-warming in the velvet quality of her mezzo tone (now I should like to hear her sing the Angel in *Veronica*) even though she was inclined to break up the phrasing at times.

David Rendall was a late replacement for the tenor Piero Visconti, who was apparently overcommitted elsewhere, and after some initial wariness showed a model understanding of Verdian line, especially a "Hostias o preces tibi". The suitably awestruck entry of Paata Burchuladze at "mors stupebit" heralded a Georgian bass of copper-toned resonance whose "cor contritum" was no less effective in seeking its redemption through the sonority of his vocal character.

The London Philharmonic Choir was for the most part alert in its response and internally well balanced between the vocal registers. It achieved a welcome buoyancy in the *Suntus* fugue for double chorus as well as vigour in the *Dies irae*, yet there were moments towards the end when the verbal spirit of prayer was lost in the fashioning of notes and phrases. The dead language of Latin needs all the more the live conviction of its sentiment if it is to achieve Verdi's purpose.

Noël Goodwin

Redcliffe Concerts

Purcell Room

The Redcliffe Concerts are celebrating their twenty-first birthday. It is claimed, with a series devoted to composers of the Tippet generation. Congratulations, but that is not so. The first concert of the four (and it is typical) included music by only one composer who could lay claim to being Tippet's contemporary, and that was Constant Lambert, represented here by his brilliant, but not entirely superficial, Piano Sonata of 1927, which Nicola Meehan gave with sweeping confidence.

Otherwise everything was by younger composers, though to tell the truth they did not always sound so. By far the most powerful and adventurous work in the recital was Tippet's own *The Heart's Assurance*, composed in 1951 in the aftermath of a friend's suicide

and of the war to which Tippet was so ardently opposed. Tippet knows what he has to say and how to say it, forging his ornate coloratura lines and jagged rhythms to suit perfectly his expressive purpose. Margaret Field and Sally Mays responded skilfully to its considerable demands, though sometimes Miss Field's higher and firmer tones dynamics were suspect.

Born from no less a conviction is Anthony Milner's triptych *Our Lady's Hours* (1957), but here Milner is not seeking new truths so much as reiterating what he sees as old ones, as is made clear in the refrain ("This is the faith that I have held and hold...") of the third song, *Bellac's* "Ballad to our Lady of Czestochova". Consequently, innovation is unnecessary. Milner's lyrical gifts and firmly rooted tonalities are enough.

The two newer works were just as conservative, though I thought considerably less affecting. Judith Weir's *Sketches from a bagpiper's album* for clarinet (Nicholas Cox) and piano had a deceptively jaunty air considering it told the sad tale of the execution of one of Bonnie Prince Charlie's bagpipers, whose instrument was deemed to be a weapon. Perhaps, though, there is something funny about that. And Stephen Dodgson's *Gipsy Songs* (1976), though obviously workmanlike and sincere, were really not very much more.

Stephen Pettitt

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AIR FREIGHT/I
By Arthur Reed

(SPECIAL REPORT)

Tonnes of trade on the airlines

Chairmen and senior executives of the world airline industry gathered in Hamburg at the end of next month for the annual meeting of the International Air Transport Association (IATA) will be cheered by the fact that the air freight sector of their business, although down on its performance of 1984, continues to do well.

On the key North Atlantic route during the first six months of this year, IATA airlines carried 574,000 tonnes on scheduled and charter services, 3.8 per cent up on the same period of 1984. Freight carried on passenger flights was up 1 per cent while that on all-cargo flights rose 9 per cent. West-bound carryings were up 7.5 per cent to 333,000 tonnes, east-bound, the total was down 1 per cent at 240,000 tonnes.

The trend in Europe was similarly encouraging. The 20 member airlines of the Association of European Airlines carried 4.3 per cent more freight than in the first half of 1984.

These figures, and especially those on the North Atlantic, are greatly down on those for the whole of 1984 when, with the world economic recession just over and with weak European currencies (especially the dollar) against the dollar encouraging westbound flows of exports, airlines experienced phenomenal freight growth - in some cases as much as 30 per cent on the previous year.

Since then, the pound and the other currencies have made recoveries, while the airline industry has inevitably over-reacted to a situation where capacity was at a premium - and where rates were therefore high - by pouring in too much.

The appearance on the North Atlantic of relatively new operators out to maximize the cargo space in the underfloor holds of their wide-bodied airliners, such as People Express and Virgin Atlantic, and specialist forwarders operating their own aircraft, such as Federal Express (there were 47 different airlines flying between Europe and North America in June this year) has added to the softness of a market where, this time last year, shippers and

forwarders were queuing up to have their goods flown and, in some cases, having to wait several days for the privilege.

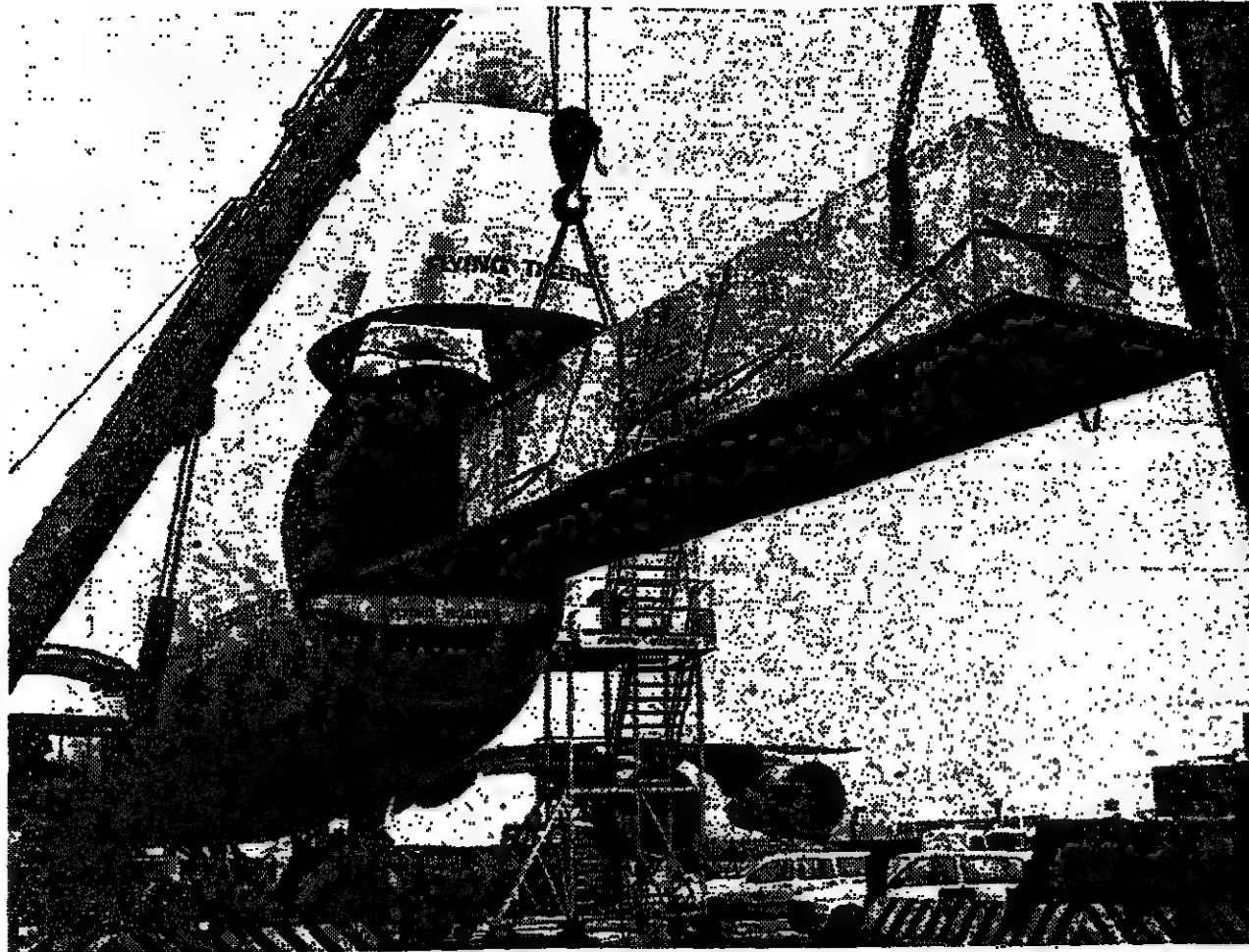
But the North Atlantic is not the entire air cargo scene and some markets remain extremely buoyant. Most parts of the Far East come within this category, with Japan in the lead as it makes its conscious political effort to open its own markets to imports and so dampen criticism that its products swamp markets abroad with no return.

At the same time, specialized sectors of the air freight industry are going well - particularly the courier business and the small overnight parcels service.

Airlines continue to debate whether they should invest enormous capital sums in all-cargo wide-bodied airliners, carry what cargo they can in the underfloor holds of their passenger airliners, or hedge their bets by buying or leasing "combi" aircraft which can carry both passengers and freight on their main decks, separated by a divider, which can be moved to take account of shifts in either type of traffic.

The "combi" solution enables the airline industry to overcome its traditional inability to forecast, with any degree of accuracy, traffic trends more than a year or so in advance.

At the other end of the



A 40-tonne core for a hydroelectric plant leaves Heathrow for Dubai by Flying Tigers. Right: One of Britain's 1984 Olympics showjumping horses arrives at Stansted



market, there is a brisk trade in second-hand narrow-body jets of the DC-8 type for all-cargo flights, though their purchasers are faced with the additional expense of having their engines heavily modified if they are to operate into airports in the United States or Europe where new and severe noise regulations are coming into force.

On the ground, computerization is gradually streamlining the heavy paper work which has in the past eroded the great advantage of air cargo - speed

between airports - but there are still many major airports around the world where airlines, Customs, forwarders and consolidators, and customers communicate by outdated methods, and where dwell times are long. A few airports are investing considerable sums in updating their freight facilities. Manchester International, where work is proceeding on a new £8 million complex, is a case in point.

Air Cargo continues to be a highly competitive business,

with shippers often able to negotiate spot prices on a day-to-day basis.

Leaders of this section of the industry now accept that there are many types of goods which they will never be able to claim away from surface transport, but they also believe that there are others where they will, in future, be able to make a case for a switch by quoting the total distribution cost theory. Air freight now distributes motor car parts across the world on a "just in time" basis, enabling the user to free valuable warehouse space.

Another area which is developing strongly is the carriage by air of exotic fruit, vegetables and flowers, and chilled meats and fish. But as it expands in these directions, the airlines' air freight business is, in turn, under threat from surface carriers, and particularly from juggernaut trucks. The airlines have responded by building up their own fleets of long-distance lorries to feed cargo into their own central bases for onwards carriage by air. In the UK, both British Airways and British Caledonian have considerable fleets of such vehicles operating to strict schedules and even bearing their own "flight" numbers.

More planes to match the cargo business boom

Airlines which specialize in cargo are doing well and have been adding to their fleets.

In the United States, Emery acquired 17 DC-8s last year to add to its 24 Boeing 727s and 28 other assorted aircraft. Shipments in 1984 reached a record 10.1 million, up 21 per cent, and weight carried was 530 million pounds, up 20 per cent.

Federal Express has ordered 30 Cessna Caravan single-engine turbo-prop, with a further 70 on option to buy, to be used on branch routes, and has also bought five new DC-10s. The airline carried 73.6 million packages in the first nine months of its financial year.

Flying Tiger has 20 Boeing 747 jumbos in its fleet, plus a similar number of 727s, and says that its principal cargoes are fashions, textiles, oil-drilling equipment, machinery and machine parts, and perishables such as seafood and fruit. It introduced a second weekly all-freight 747 service between New

York and Prestwick airport, Scotland, earlier this month, and this is expected to carry equipment for the oil industry, and for computer companies now established in "silicon

glens". Al Hicks, Flying Tiger's vice-president Europe, told an international freight industry conference at Brighton earlier this summer that passenger airlines "only view cargo as an additional revenue source - something in their empty bellies is better than nothing".

"Some" passenger carriers offer rates to the USA as low as 55p per kilo, with the 5 per cent agent's commission and a 10 per cent override commission. Can passenger airlines' offering these rates really be concerned with the economics of what their real costs are to handle this freight?" he asks.

Ron Needham, sales director of Tarmac Airways, one of Britain's leading all-freight airlines, said that there has been

an increased demand for full charters, with a fair amount of bloodstock flying. This traffic is expected to increase this autumn following sales in the US and the UK. Services to the Middle East and Africa were buoyant.

"Compared with 1964, eastbound cargo levels have shown a reduction, presumably due to an increase in aircraft capacity. We are hopeful of returning to our usual full services during this month", Mr Needham said.

HeavyLift Cargo, Britain's other major all-freight airline, continues to range the world picking up outside loads, from whole aircraft fuselages to water treatment plants, in its fleet of ex-RAF Belfast and Super Guppy aircraft. The airline recently invested £250,000 in a modification to the Belfast which enlarges its already capacious main deck hold and enables an extra 2.5 tons of freight to be carried.

The spaces that make millions

With more cargo on offer on many routes than there is space in the aircraft for it, the airlines have introduced ingenious schemes to make more room.

British Airways, for instance, claims that it has found the equivalent of the volume of two Boeing 747s by utilizing every spare corner in its existing wide-bodied fleet. The airline has introduced extensions to the containers and pallets in and on which freight is carried so that they now hug the interiors of the underfloor holds, instead of leaving gaps.

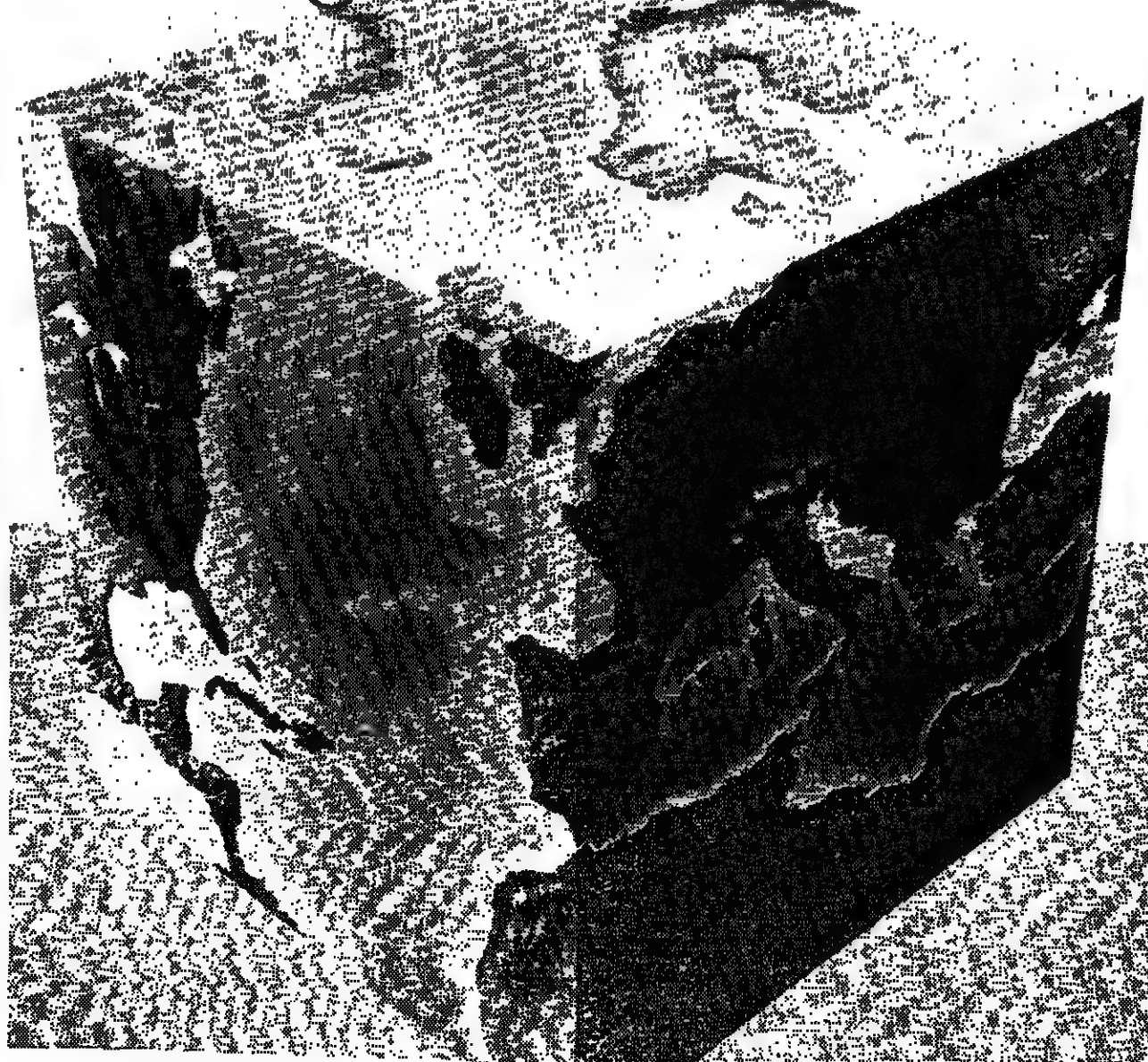
It is also making major modifications to 10 Lockheed TriStars to increase their cargo capacity by 75 per cent. The work entails moving the galleys from under the floor up to the main deck and strengthening the undercarriages so that the aircraft can carry more weight. Moving

the galleys will cost £35 million, but BA estimates that the spaces that will become available will earn it an additional £10 million a year.

Having sold its all-freighter fleet in the early 1980s, British Airways is now the biggest freight airline in the world without this type of aircraft. Flying Tiger, Japan Air Lines, Air France, Lufthansa, and KLM, which all performed more freight tonne-kilometres than BA last year, have all-freighter aircraft in their fleets.

Freight contributed £250 million to BA's revenues in 1984-85, with total tonnage up 14 per cent at 260,000 tonnes. The airline continues to explore new ways of increasing its cargo business, including express packages, passengers' heavy baggage by freight, and the carriage of pets - this last business producing £1 million of revenue in the most recent financial year.

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(SPECIAL REPORT)

AIR FREIGHT/2

The middlemen who make it all happen

The increasingly important role played in exporting by forwarders is highlighted in the results of a survey published recently by Haniel International, one of the leading companies in this sector of air freight, with 77 offices in various parts of the world.

Analysing responses from 95 UK exporters, Haniel found that 56 per cent of them considered that they could not export without using a forwarder, while 80 per cent said they used international parcels and express services at one time or the other. Good service was thought to be more important than the rates charged.

Less encouraging to the air freight industry was the fact that of the 33 per cent which had used an agent or airline, computer to calculate if air freight would be cheaper than surface freight, only in 22 per cent was air found to be cheaper.

In general, the exporters polled were optimistic about their prospects: 58 per cent saying that their total production had increased over the past two years, and 86 per cent forecasting that their export business would increase during 1985.

Vic Stringer, Haniel managing director, noted that though no serious criticisms were aired, exporters were anxious that forwarders should improve the cost-effectiveness of their operations. Comments had included, "collection times are inconsis-

ent", and, "there is a need for better customer liaison".

"Freight forwarding has become appreciably more professional with the introduction of sophisticated computer and telecommunications facilities", Mr Stringer said. "However, progress in this field will not be maintained unless forwarders seriously consider making the training of their staff, particularly in new technology, an absolute priority."

North Atlantic service being watched closely

According to International Air Transport Association figures, Pandair Freight had, at £23.6 million, the largest sales among the 200 or more UK air freight forwarders in 1984. Jardine was second, with £23 million, and Mercury third with £20 million. Pandair, Jardine, and Mercury showed 23 per cent, 30 per cent, and 17 per cent increases respectively in business over the previous year and this was also the case for the majority of the rest of the forwarders listed.

Indicative of the trend towards simplification throughout the industry, Pandair will now accept individual pieces of freight up to 250kg in weight for door-to-door delivery under a tariff which includes collection, processing, freight carriage, Customs clearance and delivery, for a single price.

All UK forwarders are watch-



Getting there: Mercedes cars are taken on board by Lufthansa, and the forwarders ensure they reach their destination

ing closely the progress of the service across the North Atlantic into the UK and Europe launched this summer by the US small parcels specialist Federal Express. The company's Boeing 727 flies from its Memphis, Tennessee, headquarters to Stansted airport in Britain, and then on to Brussels, via New York and Gander, Newfoundland, returning to Memphis by way of Shannon, Ireland, and Gander.

Launching the service, James Barksdale, Federal Express chief operating officer, said that the company had been using on-board couriers flying on passenger airlines to serve the European market. "While that was acceptable, complications in trying to mesh the company's service schedules made it mandatory that we utilize our own aircraft to meet our own high service standards."

Purolator Courier is another US-based company which is moving into Europe, with hubs at Brussels and Amsterdam served overnight by chartered aircraft operated by Purolator UK. The company expects an increase of between 30 and 35 per cent in the small parcels/documents business generally out of the UK this year.

Shipments given to Purolator UK for the US and Canada are placed on board the supersonic Concorde to New York each evening, and those bound for New York and within a 200-mile radius of that city are cleared at JFK airport and transferred to the company's facility at Indianapolis where the nightly sorting capacity is 40,000 items, rising to 125,000 by 1987 when extensions are complete.

Among European companies competing with these US giants is NP Express Parcels System, which has a network enabling it to deliver documents and parcels overnight to some 2,000 towns and cities on the continent. The company, established in 1972, now operates two freighter aircraft each night from Britain, an F-27 from Luton, and an Islander from Birmingham. Both fly to NP's base at Maastricht.

The second service, out of Birmingham, was started last month. Instone Air Transport traces its aviation lineage back to 1919 when, as an airline, it pioneered the first scheduled services across the Channel. Now an air

broker, the company arranges long-term and short-term aircraft leases, and the carriage of freight, among its many activities. In the spring of this year it was responsible for the transport by air of a large quantity of equipment from the UK to fight an oil spill caused by the collision of two ships in the Straits of Messina, Sicily.

A new international air courier subsidiary was launched earlier this year by Kuehne and Nagel (UK), jointly owned by the Swiss Kuehne family and Lonrho plc, and operating in the fields of air and surface freight, forwarding, travel, insurance, and shipbroking. The air cargo division of the British company had a turnover of £18m in 1984. The courier company's world-wide organization boasts 300 offices in 55 countries.

Deregulation 'a shot in the arm for air freight'

McGregor Sea and Air Services (MSAS) which came eighth in the IATA "league table" of UK freight forwarders for 1984, and which has a network covering 61 countries, saw big increases in business in Britain and the US last year. Tom Loughhead, chief executive, said that despite the strong dollar, the North American division increased its contri-

bution by 330 per cent over 1983.

Seabourne Express claims to have been the pioneer of express delivery in Europe and now has services to and from nine European countries, with a turnover of £11 million. The company guarantees to hand back to its customers double their money if an express delivery is late. Seabourne Aviation, a sister company, operates Manston airport, in the Isle of Thanet.

The British Shippers' Council, representing the customers who feed freight into the air transport industry, is looking forward to an element of deregulation in freight rates in Europe. Its representative said: "We applaud the interest expressed by our own government, and by the European Commission in liberalizing air transport within Europe, having seen the impact which such moves have had in the US."

"We feel that deregulation will provide a much-needed shot in the arm for air freight, for some of the airlines in Europe have been very slow to develop the services which shippers are looking for today, whether door-to-door, or high-speed. This is why the flying forwarders are filling the gap in the portfolio of services offered by the airlines to the shipper."

The council is also looking for a simplification of air freight tariffs.

Source: HM Customs and Excise
VISIBLE TRADE THROUGH UNITED KINGDOM AIRPORTS 1984

Airport	Value (£) millions Exports	Imports	Total
Heathrow	9,890.9	10,193.6	20,084.5
Gatwick	847.8	784.4	1,632.2
Manchester	432.7	561.4	994.1
Glasgow	380.7	286.5	667.2
Prestwick	125.3	313.7	439.0
Belfast	98.4	76.2	174.6
Stansted	106.9	55.4	162.3
Birmingham	19.0	69.9	88.9
Southend	27.6	55.3	82.9
All other airports	1,000.7	1,080.9	2,081.6
Total all airports	12,885.5	13,457.3	26,342.8
Percentage change on 1983	23.3	21.5	22.4

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THE TIMES Portfolio

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No.	Company	1985 High	1985 Low	Company	Price	Chg	Div	Yld	P/E
1	ELECTRICALS								
2	BICC	434	382	Barclays	377	0	24.8	84	7.9
3	MR Elect	112	100	Brown Shipley	412	8	12.8	17.1	10.1
4	Cap Gp	100	90	Carson	232	2	12.8	17.1	10.1
5	Restless	100	90	Castles	232	2	12.8	17.1	10.1
6	Dale Elect	100	90	Chas Morrison	232	2	12.8	17.1	10.1
7	Micro BS	100	90	Clive	232	2	12.8	17.1	10.1
8	Enos Lighting	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
9	Day 2	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
10	PROPERTY			Com Bank Wales	232	2	12.8	17.1	10.1
11	Budget Eves	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
12	Long Prop	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
13	West & Country	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
14	MEPC	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
15	Greycoat City	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
16	Prop & Rev	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
17	Stratton	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
18	Lam Investors	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
19	Cardiff Prop	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
20	Chertfield	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
21	BUILDING AND ROADS								
22	Bulley (Bos) Const	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
23	Rugby Const	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
24	Trent	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
25	Costain	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
26	Bryan	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
27	Best Bros	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
28	Lovell (YJ)	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
29	Barrat Dees	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
30	Vibromat	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
31	Bank Discount BP	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
32	Royal Bank of Scot	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
33	Midland	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
34	Stead Chart	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
35	Schroders	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
36	Am New Z	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
37	Smith St Anby	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
38	Barclays	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
39	Nat West	100	90	Com Bank Wales	232	2	12.8	17.1	10.1
40	Wages	100	90	Com Bank Wales	232	2	12.8	17.1	10.1

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MON	TUE	WED	THU	FRI	SAT	WEEKLY

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1985 High Low Stock Price Chg Div Yld P/E

BRITISH FUNDS

SHORTS (Under Five Years)

No.	Company	1985 High	1985 Low	Company	Price	Chg	Div	Yld	P/E
1	Barclays	377	350	Barclays	377	0	24.8	84	7.9
2	Brown Shipley	412	380	Brown Shipley	412	8	12.8	17.1	10.1
3	Castles	232	210	Castles	232	2	12.8	17.1	10.1
4	Chas Morrison	232	210	Chas Morrison	232	2	12.8	17.1	10.1
5	Clive	232	210	Clive	232	2	12.8	17.1	10.1
6	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
7	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
8	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
9	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
10	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1

FIVE TO FIFTEEN YEARS

No.	Company	1985 High	1985 Low	Company	Price	Chg	Div	Yld	P/E
1	Barclays	377	350	Barclays	377	0	24.8	84	7.9
2	Brown Shipley	412	380	Brown Shipley	412	8	12.8	17.1	10.1
3	Castles	232	210	Castles	232	2	12.8	17.1	10.1
4	Chas Morrison	232	210	Chas Morrison	232	2	12.8	17.1	10.1
5	Clive	232	210	Clive	232	2	12.8	17.1	10.1
6	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
7	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
8	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
9	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
10	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1

OVER FIFTEEN YEARS

No.	Company	1985 High	1985 Low	Company	Price	Chg	Div	Yld	P/E
1	Barclays	377	350	Barclays	377	0	24.8	84	7.9
2	Brown Shipley	412	380	Brown Shipley	412	8	12.8	17.1	10.1
3	Castles	232	210	Castles	232	2	12.8	17.1	10.1
4	Chas Morrison	232	210	Chas Morrison	232	2	12.8	17.1	10.1
5	Clive	232	210	Clive	232	2	12.8	17.1	10.1
6	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
7	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
8	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
9	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
10	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1

UNDATED

No.	Company	1985 High	1985 Low	Company	Price	Chg	Div	Yld	P/E
1	Barclays	377	350	Barclays	377	0	24.8	84	7.9
2	Brown Shipley	412	380	Brown Shipley	412	8	12.8	17.1	10.1
3	Castles	232	210	Castles	232	2	12.8	17.1	10.1
4	Chas Morrison	232	210	Chas Morrison	232	2	12.8	17.1	10.1
5	Clive	232	210	Clive	232	2	12.8	17.1	10.1
6	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
7	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
8	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
9	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
10	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1

INDEX-LINKED

No.	Company	1985 High	1985 Low	Company	Price	Chg	Div	Yld	P/E
1	Barclays	377	350	Barclays	377	0	24.8	84	7.9
2	Brown Shipley	412	380	Brown Shipley	412	8	12.8	17.1	10.1
3	Castles	232	210	Castles	232	2	12.8	17.1	10.1
4	Chas Morrison	232	210	Chas Morrison	232	2	12.8	17.1	10.1
5	Clive	232	210	Clive	232	2	12.8	17.1	10.1
6	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
7	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
8	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
9	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
10	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1

BANKS DISCOUNT HP

No.	Company	1985 High	1985 Low	Company	Price	Chg	Div	Yld	P/E
1	Barclays	377	350	Barclays	377	0	24.8	84	7.9
2	Brown Shipley	412	380	Brown Shipley	412	8	12.8	17.1	10.1
3	Castles	232	210	Castles	232	2	12.8	17.1	10.1
4	Chas Morrison	232	210	Chas Morrison	232	2	12.8	17.1	10.1
5	Clive	232	210	Clive	232	2	12.8	17.1	10.1
6	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
7	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
8	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
9	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1
10	Com Bank Wales	232	210	Com Bank Wales	232	2	12.8	17.1	10.1

STOCK EXCHANGE PRICES

Market rallies

ACCOUNT DAYS: Dealings Began, Sept 16. Dealings End, Sept 27. Contango Day, Sept 30. Settlement Day, Oct 7. Forward bargains are permitted on two previous days.

1985 High	1985 Low	Company	Price	Chg	Div	Yld	P/E
434	382	Barclays	377	0	24.8	84	7.9
412	380	Brown Shipley	412	8	12.8	17.1	10.1
232	210	Castles	232	2	12.8	17.1	10.1
232	210	Chas Morrison	232	2	12.8	17.1	10.1
232	210	Clive	232	2	12.8	17.1	10.1
232	210	Com Bank Wales	232	2	12.8	17.1	10.1
232	210	Com Bank Wales	232	2	12.8	17.1	10.1
232	210	Com Bank Wales	232	2	12.8	17.1	10.1
232	210	Com Bank Wales	232	2	12.8	17.1	10.1
232	210	Com Bank Wales	232	2	12.8	17.1	10.1

BUILDING AND ROADS

1985 High	1985 Low	Company	Price	Chg	Div	Yld	P/E
100	90	Barclays	377	0	24.8	84	7.9
100	90	Brown Shipley	412	8	12.8	17.1	10.1
100	90	Castles	232	2	12.8	17.1	10.1
100	90	Chas Morrison	232	2	12.8	17.1	10.1
100	90	Clive	232	2	12.8	17.1	10.1
100	90	Com Bank Wales	232	2	12.8	17.1	10.1
100	90	Com Bank Wales	232	2	12.8	17.1	10.1
100	90	Com Bank Wales	232	2	12.8	17.1	10.1
100	90	Com Bank Wales	232	2	12.8	17.1	10.1
100	90	Com Bank Wales	232	2	12.8	17.1	10.1

FINANCE AND LAND

198	112	102	Colwyn & Co	106	..	3.3	9.2	11.0
246	204	204	Gleason (Duffy)	340	..	3.3	9.2	11.0
111	111	111	..	..	..	..	..	..
48	34	34	Hendel Bar	..	..	..	..	..
48	34	34	Henderson-Stuart	..	-1	2.5	4.3	10.1
111	111	111	..	..	..	..	..	..
118	261	261	Higgs & Co	411	-2	17.5	4.3	11.0
367	367	367	IOC	180	..	10.5	3.5	10.6
232	232	232	James Thomson	..	-3	11.2	4.7	11.0
232	232	232	Jones Up & Sons	270	..	26.0	4.8	11.0
232	232	232	Larsen Ltd	523	..	8.9	3.1	8.4
98	98	98	..	..	..	..	..	..
98	98	98	Lawrence (Watney)	81	-2	4.9	2.6	8.1
171	171	171	Lyle (P&C)	53	-2	6.8	3.2	10.1
262	262	262	..	..	..	..	..	..
180	180	180	Morgan & South	126	..	6.7	4.9	14.5
262	262	262	..	..	..	..	..	..
262	262	262	Monard	126	..	10.7	5.6	14.5
170	170	170	..	..	..	..	..	..

FINANCE AND INDUSTRY

Executive Editor Kenneth Fleet

Hattersley set for own goal over bank plan

Roy Hattersley's proposals for a National Investment Bank funded by the repatriation of institutional funds from abroad may prove to be an own goal which the Labour Party lives to regret. Taken in isolation, the idea of a long-term credit institution to finance British industry is one which has had support at times from different parts of the political spectrum. Even some pension fund managers would concede that the idea is worthy of consideration, but it is based on the dubious proposition that the City has somehow fallen down on the job.

There is plenty of evidence to suggest that there is a plethora of funds available for viable projects and even those who take the view that the City's horizon is too short have by no means made a watertight case for some new kind of investment institution. Certainly the record of state-directed investment in the past has not been spectacular.

But to fund such an institution by, in effect, forcing pension funds and insurance companies to repatriate the funds they have invested overseas since the 1979 abolition of exchange controls, is to add an even more dubious dimension to an already unproven proposition. Mr Hattersley argues that, because of the tax concessions enjoyed by pension funds and the like, the British taxpayer is subsidizing investment in competitor economies by investing overseas.

This overlooks the fact that the tax privilege the institutions enjoy are there to benefit pensioners. The job of the fund manager, who is in a position of trust, is to manage the investments for which he is responsible for the benefit of others.

Diversifying risk is one of the cardinal rules of wise fund management and Mr Hattersley's plan would leave fund managers with the Hobson's choice of either not diversifying portfolios in the way they believed would best serve their pensioners or investors or of continuing to invest overseas to the degree they considered appropriate, and - damage pensioners and investors interests - by losing their tax privileges.

There are numerous other inconsistencies and potential pitfalls with the Hattersley plan, which runs completely counter to the trend towards liberalization and internationalization in the markets. For instance, many British companies draw the lion's share of their earnings from overseas. Presumably investing in these companies would be considered "okay" by Mr Hattersley, but in many cases it would not in practice be any different from investing in companies whose shares are listed abroad.

Fund managers are also likely to find numerous ways to circumvent the proposals.

In short, it is hard to resist the conclusion that the way Mr Hattersley proposes to fund his National Investment Bank is somewhat naive and simplistic and hardly likely to appeal to the vast numbers of the British public with savings managed by the pension fund and insurance industry.

BT makes unwilling case for competition

British Telecommunications' first-quarter figures are excellent: a testimony to BT's monopoly power and a commendable post-privatization response to a healthier working environment. They are also a reminder that BT can stand, and no doubt benefit, from injections of competition stimulants. One of the most important of these is not far away, if Professor Bryan Carsberg, director general of the office for Telecommunications (OfTel) has his way.

OfTel, which exists to promote competition, has made up its mind on the level of connections and the cost to Cable & Wireless of plugging its Mercury network into the BT system. Professor Carsberg has come down firmly in favour of

competition and C & W. The draft report of his conclusions were sent to the two companies last week and the contents will have eclipsed any joy that the BT board might have felt over its first-quarter results.

The sums involved as a result of the decision on interconnection are not large in relation to BT's own profit and loss account. Jack Summerscale at the stock-brokers, de Zoete & Bevan, estimates that by 1990 the impact of Mercury could be to depress BT's profits by around just 4 per cent of a projected £2.7 billion at the pretax level for that year. In the context of the much smaller Cable & Wireless, the figure is much more significant adding perhaps £100 million to pretax profits in 1990.

A bigger problem for BT is that Mercury will be well placed to take its fair share of telecommunications growth, growth that BT would have been counting on in its medium-term forecasts. Further, and more important, the stock market might just perceive the arrival of Mercury with a profitable smile on its face as heralding a secular change in BT's fortunes. True or not, it is surely better to foster a sturdy British competitor to BT before 1990 when the barrier against foreign companies competing in the UK market could be lifted.

For the time being the market can bask in BT's latest figures, which for the three months to June 30 showed pretax profits up to £443 million from £319 million. True, the £124 million increase is cut to £85 million after allowing for the privatized capital structure, but the result was still at the top end of expectations.

Sales increased to £2,005 million from £1,812 million although this translated into just an additional £59 million at the operating level. Although the company insists that it is seeking and finding efficiencies there is still a suspicion that it is not managing labour costs as well as it might. Still, there was little to alarm the City, which marked the shares up 8p at 204p.

It's all done with mirrors at BPCC

The stock market was impressed with the interim results from Robert Maxwell's British Printing and Communications Corporation, marking the shares up 6p to 183p. But that may have had more to do with a prospective yield of possibly 10 per cent, as with the chairman's soap-box oratory on the outlook for the group.

Profit before tax rose 14.1 per cent to £11.4 million for the half-year to June 30, on turnover 12.1 per cent higher at £126.3 million.

There is no mention of property sales, but the disposal programme has been so active of late that Mr Maxwell may have persuaded the auditors to include them in trading activities.

Below the line the picture is in any case made less rosy by the absence of group relief from Pergamon, an item worth £4 million in the corresponding period last year. But it was known that this bounty would have to be forgone, and therefore, already discounted in the share price.

Nevertheless, the effect has been to reduce earnings per share from 9.7p to 6.8p, and Mr Maxwell will have to run hard to match 1984's final earnings of 29.6p. The shares are given less than half the rating of Fleet Holdings, which at 362p is 18 on earnings of 20.1p.

Much is now pinned on the transfer of the Mirror Group's national newspaper printing to BPCC. But while this will give turnover an immediate shot in the arm, it also means that BPCC's shareholders will bear the direct brunt of future disputes.

And, despite (or because of) Mr Maxwell's brutal approach to labour relations, there is no sign yet that the struggle on that front is over.

Cookson in £45m bid for Horsell

By Alison Eadie

Cookson Group, the metals and industrial chemicals company, has made a £45.2 million agreed bid for Frank Horsell, the Leeds printing industry supplier quoted on Granville's Over-the-Counter Market.

In July Horsell announced plans to seek a full listing. The plans have now been shelved.

Horsell's pretax profits have grown at an average annual compound rate of 26 per cent over the five years to March 31, 1985, the company had sales of £25.9 million and pretax profits of £3.7 million. Cookson had pretax profits of £53.8 million in the year ended December 31.

Both companies believe that Cookson's greater financial resources and its international trading network will enable Horsell to exploit overseas markets more effectively, and to develop faster to meet increasing demand.

The terms are 44 Cookson ordinary shares for 19 Horsell ordinary, and 19 Cookson ordinary for 10 Horsell preferred ordinary.

Midsummer deal is off

Midsummer Inns, the real ale pub chain quoted on the Unlisted Securities Market, has been told that its proposed acquisition of the privately-owned Lincolnshire brewer, George Bateman & Son, is off.

Mr Adam Page, chairman of Midsummer, said: "We were given to understand unequivocally that Bateman had been sold to us. Then we were told they had decided to sell it elsewhere."

The sale was always a fraught affair. Mr George Bateman, the

MARKET SUMMARY

STOCK MARKETS		MAIN PRICE CHANGES		CURRENCIES	
FT Ind Ord	1007.8 (+7.0)	RISER:		London:	
FT All Share	633.70 (+4.72)	Caird A. & Sons	43p +4p	£: \$1.3405 (-0.0058)	
FT Govt Securities	83.19 (0-06)	Owen Owen	435p +40p	£: DM 3.8858 (-0.0058)	
FT-SE 100	1306.8 (12.0)	Bio-Isolates	33p +3p	£: Sfr 3.1932 (-0.0058)	
Bargains:	19,467	Stoddard Hodge A.	11.50 +1p	£: FF 11.8472 (-0.0399)	
Dataseam USM	N/A	Victor Prods.	118p +10p	£: Yen 323.59 (-0.58)	
New York		Steinberg Group	5p +5p	£ Index: 81.1 (unchanged)	
Dow Jones	1299.27 (-1.12)	Intervideo	243p +20p	New York:	
Nikkei Dow	12529.66 (-61.88)	Peters Michael	347p +24p	£: \$1.3325	
Hong Kong	1568.62 (-5.78)	Assd Brit Ports	347p +24p	£: DM 2.8992	
Amsterdam	221.2 (+1.2)	Burns Anderson	66p +4.50p	£ Index: 141.1 (+0.50)	
Sydney: AO	942.9 (-10.5)	Amber Day	7.50p +0.50p	ECU £0.57309	
Frankfurt:		Micro Bus Sys.	7.50p +0.50p	SDR £0.78219	
Commerzbank	1535.3 (-5.7)	Amcon Bt Compant	22.50p +1.50p		
Brussels:		Bodycote Int'l	182p +10p		
General	485.10 (+12.45)	Scol Hart Trust	98p +6p		
Parifac CAC	218.3 (+0.3)	Bristol Oil & Mtl	16p +1p		
Zurich:		Property Trust	8.50p +0.50p		
SKA General	415.30 (+1.40)	Amstrad	100p +4p		
GOLD		FALLS:		INTEREST RATES	
London fixing:		Ramco Oil Servs	40p -4p	London:	
am \$315.90pm \$316.30		Ind Fin & Inv	158p -30p	Bank Base: 11½%	
close \$316.5-\$317.00	(2237.00)	Leascon Group	55p -8p	3-month interbank 11½-11½%	
		Micro Focus Gp	115p -15p	3-month eligible bills	
		Sycamore Hdg	8p -1p	buying rate 11½-11½%	
		V.W. Tharmax	51p -5p	US:	
		Yule Catto	188p -17p	Prime Rate 9.50%	
		Falcon Resources	55p -5p	Federal Funds 7½%	
				3-month Treasury Bills 7.12-7.10%	
				Long bond yield 9½-9½%	

Distillers discloses months of negotiations with Argyll

By Patricia Wheatcroft

Distillers, the Johnny Walker whisky and Gordon's gin group, admitted yesterday that it had been in talks for several months with Argyll Group, which has been reported to be preparing to make a takeover bid for the £1.2 billion company.

The talks have concentrated on possible trading, but on the stock market yesterday the admission only fuelled the belief that a link-up of some sort would eventually occur.

At its annual meeting in Edinburgh yesterday, Distillers launched a new, aggressive management initiative amid reports that it might turn the tables on Argyll and mount a takeover for that company itself.

Distillers' chairman, Mr John Cornell, announced that the

system of management by committee was to be disbanded and in future the heads of Distillers' four main divisions will report directly to him. Effectively, Mr Cornell has become chief executive. He said that the change would improve the overall effectiveness of the group's operations. It has long been criticized for having an unwieldy executive system which did not encourage swift decision making.

His statement was exceptionally bullish, talking of a 17 per cent growth in Scotch exports in the first five months of the year and leading one stockbroker to raise his profit forecast for the year from £240 million to £260 million, against last year's £236 million.

This month Mr James Guil-

liver's Argyll Group replied to market reports that it would bid for the much larger Distillers with a statement that it would not do so in the next few months. That did nothing to quell the speculation, and Argyll is still said to hold perhaps 4.7 per cent of the shares in Distillers.

But with the threat of takeover, Distillers has bolstered its advisory team by appointing Kleinwort Benson to join its existing merchant bankers, Robert Fleming. Now there is a suggestion that it may be gearing up to launch its own attack.

Distillers might be interested in an acquisition in either the food or distribution areas and Argyll, with its strong Scottish connections, would be a poss-

ible purchase. It might also consider the food interests of Allied-Lyons which would be up for sale should the Australian company, Elders IXL, succeed in its planned takeover of that group.

A bid of more than £500 million would be quite possible for the huge Distillers to swallow.

Yesterday Mr Cornell was not commenting on the subject of takeovers, and neither was Mr Gulliver.

Instead, Mr Cornell wanted to emphasize the positive news from Distillers and regular followers of the company found it the most bullish statement they had heard in many years.

Last night Distillers shares were up 10p to 396p and Argyll up 8p to 333p.

2% rise takes £M3 further over target

By Michael Prest, Financial Correspondent

The money supply is still growing much faster than the target rate set by the Government, according to the latest figures from the Bank of England.

The broad definition of money, sterling M3, jumped by 2 per cent in the banking month of August to bring the annual rate over the last 12 months to 13.6 per cent.

But the government has played down M3, which covers notes and coins, private sector bank deposits, despite the fact that the £M3 range is supposed to be 5-9 per cent.

Instead, the authorities may take heart from August's fall of 0.6 per cent in £M0, which is essentially notes and coins, to which more official attention is paid. The annual £M0 rate is now 4.5 per cent.

These figures, however, have largely left City analysts baffled. Further confusion has been created by the apparent leap in the central government borrowing requirement from a surplus of £1.16 billion in July to a deficit of £2.1 billion in August. At the same time, only £74 million of gilts were sold to the private sector in banking August, which was the five weeks to August 21.

One explanation for the sharp rise in £M3 is the heavy volume of borrowing by companies. This could be to finance mergers, or be a reallocation of liquidity between companies which passes through the banks, or it may simply represent financial transactions such as borrowing to lend on at a higher rate.

In any event, the emerging view is that only the diehard monetarists of the old school still believe that the rapid annual expansion of £M3 heralds an acceleration of inflation. It is pointed out that the growth in £M3 over the past four months has been faster than that which preceded the sterling crisis on January.

The jump in the CGBR is largely explained by the public sector borrowing requirement figure of £1.1 billion, released on Wednesday. That statistic was for the calendar month of August, but it is possible that the government's borrowing was concentrated in the early part of the banking month.

Nevertheless, the net effect of public sector transactions was expansionary to the economy by £1.41 billion.

ABP buys stake in Euroroute

By William Kay City Editor

Associated British Ports Holdings yesterday joined the contest for the right to build a fixed link across the English Channel by paying £250,000 for a 10 per cent stake in Euroroute, the bridge-tunnel-bridge consortium led by Sir Nigel Brookes.

In doing so, AB Ports has delivered a slap in the face to the Channell Tunnel Group, the twin rail tunnel scheme, and Euroroute's principal competitor for the blessing of the French and British governments. Detailed submissions have to be in by the end of next month, to be followed by a go-ahead in the new year.

Mr Keith Stuart, chairman of AB Ports, said: "We examined both schemes, and our view is that Euroroute is a 21st century solution while CTG is only a 20th century solution."

AB Ports has more to gain from associating with Euroroute. It can offer marine research facilities and would hope to handle the marshalling operations at the British end.

It also has links with Kleinwort Benson, Trafalgar House and British Steel, three founder members of Euroroute.

IN BRIEF

Coni broker suspended

The senior partner of Coni Gilbert & Sanky, the London stockbroking firm, has been suspended from trading for three months and five of his seven partners have been censured by the Stock Exchange.

Mr Michael Somerset-Leeke, the senior partner, is alleged to have put a number of bargains into suspense accounts for up to 10 days before contract notes were issued to clients. The notes should be issued immediately. The breaches took place between December 1983 and August 1985.

The Stock Exchange found that there was "no adequate control" over certain administrative procedures.

Rowntree fall

Rowntree Macintosh profits from £22.3 million to £20.6 million before tax in the six months to June 15. Turnover was up from £479 million to £519 million and the interim dividend is 4p (3.6p).

Tempos, page 23

AMS debut

AMS Industries, a manufacturer of sound processing systems, is coming to the stock exchange via an offer for sale by Barclays Merchant Bank. At 95p a share the company will be capitalized at £28.2 million.

Tempos, page 23

A US federal judge has issued a temporary restraining order against Richardson Vicks' plan to issue preferred shares to share holders to thwart a takeover move by Unilever.

Enterprise win

Enterprise Oil has won control of Saxon Oil. At yesterday's first closing holders of 50 per cent of Saxon's shares had accepted the £120.6 million bid which, with the 22.4 per cent which Enterprise already owned, was sufficient to declare the bid unconditional.

Ramco decline

Lack of contracts for North Sea platform construction yards hit Ramco Oil Services which incurred a pre-tax loss of £22,000, (£66,000 profit) on turnover down 33 per cent at £1.4 million in the first-half to June 30.

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1985 Interim Report

Results in Brief

	1985	1984
	£m	£m
Turnover	519.4	479.2
Trading Profit	29.1	30.4
Interest	8.6	8.1
Profit before Taxation	20.5	22.3
Taxation	4.8	5.4
Profit attributable to Rowntree Macintosh plc before extraordinary items	15.7	16.9
Earnings per ordinary share	9.4p	10.6p

* Interim pre-tax profits reflect intense competition worldwide: the Board remains confident of future growth

* Interim dividend of 4.0p - up 11%

* UK profits up 13%

* UK confectionery margins benefit from cost-cutting measures

* Good volume gains in UK grocery and snack foods

* Encouraging progress by North American operations: difficult trading conditions in Canada hold back first half performance

* Mixed results from other international operations

* Record investment: capital expenditure of £75m expected for the year.

Rowntree Macintosh

WALL STREET

Early dip for Dow

New York (Reuters): The stock market turned mixed in early trading yesterday with more issues advancing than declining. The Dow Jones industrial average was down 4.37 to 1,296.03 at one stage. Earlier broader indicators were higher. Advances led declines by five to three on turnover of 9.89 billion shares.

Analysts said selling related to the end of trading today of September stock index futures and options contracts had put pressure on stock prices so far this week and this could continue.

Before the market opened, the Commerce Department said the US personal income rose 0.3 per cent in August.

On the trading floor, IBM was down 1-3/4 to 127. Digital Equipment up 1-3/4 to 106 1/4. General Motors down 1-3/4 to 59 1/4. AT & T up 1-3/4 to 21 and US Steel up 1-3/4 to 29 3/4.

New applications for unemployment insurance benefits decreased to a seasonally adjusted 382,000 in the week ended September 7 down 6,000 from the week before, the US Labor Department said in Washington yesterday.

The number of people receiving benefits under state programmes totalled 2,469,000 in the week ended August 31.

Overnight money traded between 11 1/4 per cent and 11 1/2 per cent during the morning. The close was around 12 per cent.

State Rates %
Clearing Banks 11 1/4
Prudential House 11 1/2
Discount Market 11 1/2
Overnight High 12 1/4
Week High 11 1/2

Treasury Bills (Discount %)
1 month 11 1/4
3 months 11 1/2
6 months 11 1/2
1 year 11 1/2

Prime Bank Bills (Discount %)
1 month 11 1/4
3 months 11 1/2
6 months 11 1/2
1 year 11 1/2

Trade Bills (Discount %)
1 month 11 1/4
3 months 11 1/2
6 months 11 1/2
1 year 11 1/2

Overnight open 11 1/4 close 12
1 month 11 1/4 11 1/2
3 months 11 1/2 11 1/2
6 months 11 1/2 11 1/2
1 year 11 1/2 11 1/2

Previous day's total open interest 1985
PT-SE 100
S&P 500
Previous day's total open interest 1985

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S&P 500
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Previous day's total open interest 1985

Previous day's total open interest 1985
PT-SE 100
S&P 500
Previous day's total open interest 1985

Markets were generally quiet ahead of today's American flash gross national product figures, and did not respond to the sharp jump in British money supply. Major metals, notably copper and aluminium, fell amid continuing gloom about their prospects. Precious metals also looked weak.

Among the softs, coffee and cocoa were down after their recent small rallies.

Foreign exchange markets did little more than mark time while awaiting today's important US flash GNP figure.

Currency rates traded within a narrow band. Initially the dollar had started firmer and looked like testing 2.9250 against the mark, but there was not enough enthusiasm among operators to open new positions at this level, so a gentle drift down soon took place.

Sterling, which opened lower, moved within a narrow band throughout, eventually closing at \$1.3495 a gain of 58 points. Against the mark, the dollar also held up well at DM3.8970 (3.8775), while its trade-weighted index finished at 81.1 (unchanged).

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COMMODITIES

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FOREIGN EXCHANGES

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B Ae takes off on talk of £1bn Air India deal

By Derek Pain and Pam Spooner

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FINANCIAL SERVICES

Movement of debt mountain is vital to world prosperity

By Michael Prest

After a deceptive lull, the debt crisis is about to push its way back to the centre stage of world affairs.

The evidence is accumulating that 1986 and 1987 could be the most difficult period since the crisis broke three years ago. How this new phase is handled by borrowers, lenders and international agencies could determine the prosperity of the developed and developing worlds to the end of the century.

The chart summarizes the problem. Having declined from its first peak in 1982, when the full gravity of the situation struck public consciousness, developing countries' debt burden will increase sharply again next year and the year after.

The debt service ratio - the percentage of export earnings absorbed by paying off debts - will rise to an average 36 per cent. For the biggest borrowers, essentially the Latin American countries, the ratio will be even higher.

Yet the banks have chosen this moment to stop lending to developing countries. The Bank for International Settlements has reported that international bank lending outside the industrial world declined in the first quarter of this year, the first

Latin American debt is twice war reparations on Germany

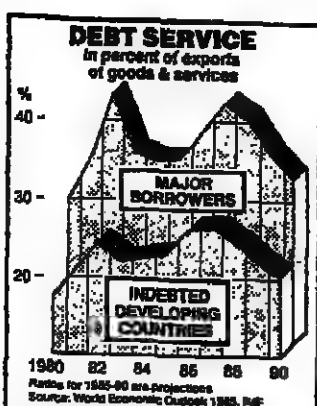
such decline recorded by the BIS since it began to collect the data in 1974. The question is: can debt repayment be assured without a resumption of bank lending?

For this debt "hump" is not another little local difficulty to be solved by *ad hoc* rescheduling such as that recently agreed between Mexico and its creditors. The consequence of a virtual cessation of bank lending is that for the first time for many years developing countries are suffering a massive net outflow of funds at just the moment that fresh investment is needed to fuel economic expansion.

In its *Trade and Development Report, 1985*, the United Nations Conference on Trade and Development has calculated one possible scenario for the extent of this perverse flow of resources from poor countries to rich countries.

Net transfers from countries to banks could be \$22.5 billion (£16.3 billion) this year, rising to \$23.9 billion in 1986 and \$25.3 billion in the following year. And these figures exclude servicing of official debt.

A severe slowdown of bank lending to developing countries such as has occurred, might superficially suggest that the borrowers' stock of debt will decline and debt-servicing will ease correspondingly. But the stock of debt can actually increase without fresh borrowing if interest rates rise faster, or stay at a higher level, than the ability of the borrower to service debt on the terms originally contracted.



The typical rescheduling arising in these circumstances effectively capitalizes interest, thereby easing near-term repayments but adding to the total principal which must eventually be repaid.

Thus Unctad estimates that over the next two years the volume of outstanding debt could swell from \$477 billion to \$536 billion. Without remedial action it could go up relentlessly to \$638 billion by the end of the decade, when the outflow of funds from borrowing countries to banks might be more than \$30 billion annually.

It does not necessarily follow that the only solution is resumed bank lending. In theory a country could mobilize savings more efficiently, concentrate resources on exports and raise funds by direct and portfolio investment, and through bonds.

In practice, however, this is much easier said than done. Most underdeveloped countries by definition have weak financial systems. The Brazilian government, for example, is considering how to privatize a swarm of state entities which account for so much of its debt.

But it is difficult without a proper stock market and other financial intermediaries. In many of the poorest countries, most people have no assets, and in sub-Saharan Africa the famine has wiped out even the most primitive means of production.

Export-led growth is a slogan familiar to Western governments, not least of all the British. Yet striking a balance in developing countries between diverting resources to export industries and avoiding compressing domestic consumption, for example producing strawberries instead of maize in Kenya, has proved even more elusive.

Such a trend would in any case, require some recovery in commodity prices and a determination by industrial countries to avoid any increase in protection.

Portfolio and direct investment is even less promising, except in the long run when initiatives such as the World Bank's proposed Multilateral Investment Guarantee Agency may help.

World Bank figures show that between 1981 and 1984 the annual flow of private finance to middle-income developing countries - those most likely to attract the overseas investor - fell from \$50 billion to \$22 billion. Net direct investment declined by \$5 billion to a mere \$9 billion.

It seems that the share that all developing countries command

of worldwide foreign direct investment is stagnant at around 25 per cent. Even if it were to jump sharply - which is most unlikely given the attitude of finance directors to Third World investment - direct investment could not substitute for bank credit.

Bonds are a more serious possibility, but bond investors are conservative and will be reluctant to add greatly to their stock of developing countries' debt while there is so much uncertainty about bank debt. Whatever the mixture of financing the conclusion that bank lending should resume sooner rather than later is inescapable.

The dimension of the problem has been graphically described by Mr. Robert Sternfeld, the Inter-American Development Bank's special representative in Europe. At a recent debt conference in London, organized by Webster Communications, Mr. Sternfeld pointed out that Latin America's debt burden was twice the size of the reparations imposed on Germany after the First World War.

The implied warning that the debt mountain could have the same dire consequences for the world as did German reparations is not that far-fetched.

The World Bank has pointed out that living standards in Latin America have fallen to

Further cuts in living standards are no longer a policy option

those of the early 1970s, thereby wiping out a decade of growth. Brazil has told the International Monetary Fund that further cuts in living standards have ceased to be a policy option.

Nor are the consequences confined to developing countries. Unctad estimates that the sharp fall in industrial countries' exports to developing countries cost members of the Organisation for Economic Cooperation and Development about three million jobs in the three years to 1984.

The irony is that the debt hump is looming just as the major debtor's economies appear to be growing again.

The spectacular turn round has been in Latin America where a contraction of 2.4 per cent in 1983 has been turned into an expansion of the same amount this year.

Renewed growth has been accompanied by a distinct improvement in the developing countries' balance of payments. The World Bank has calculated that for middle-income developing countries, which constitute the bulk of developing country trade, the physical balance of trade has swung from a deficit of \$62 billion in 1981 to a surplus of \$27 billion last year.

But debt interest payments soared over the same period from \$39 billion to \$66 billion. As a result these countries' current account balance still recorded a \$28 billion shortfall in 1984.

The aggregate figures, more-

over, conceal the crucial point that the improvement in the physical balance of trade was bought at the cost of severe compression of imports. In 1983, according to Unctad, Latin America's imports fell by almost 30 per cent, and last year they were almost unchanged. Imports to Africa collapsed by a fifth in 1983 and by a quarter in 1984. One result was that investment outlays in Latin America declined by \$40 billion annually between 1982 and 1984, at precisely the time when an increase in productive capacity was needed to pay off the debts.

Factors other than debt have played their part in this dismal process. The lowest real commodity prices since the 1930s, the sharp slowdown in world trade in the early 1980s, and the contraction of industrial countries' demand for Third World imports caused by restrictive monetary and fiscal policies (in varying combinations) have all contributed to developing countries' problems.

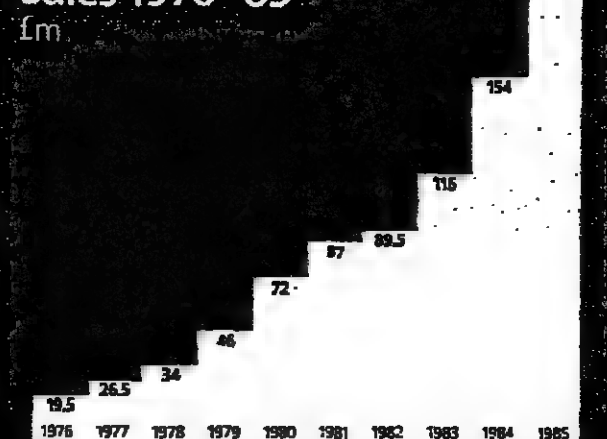
Unctad has calculated that the fall in commodity prices alone from 1981 levels cost developing countries \$38 billion between 1982 and 1984.

But none of these problems is independent of the debt question, which is intimate to all of them. Indeed, so serious is the near-term outlook that a resolution of the debt problem is a precondition for tackling the others. Commodity prices are a long-term proposition, and austerity - cutting imports and investment to pay debts - has reached its limits.

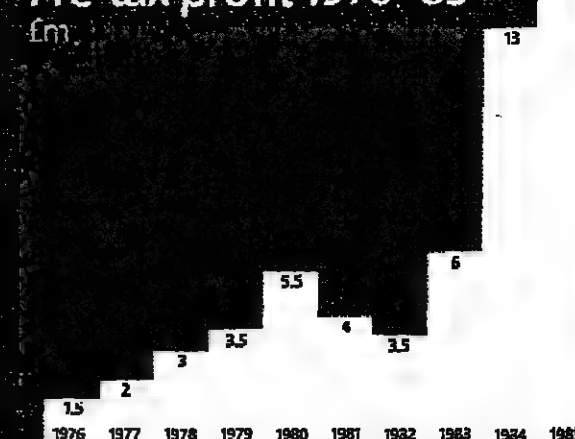
By contrast, debt is an immediate problem. More than half the increase in interest payments by developing countries in the early 1980s was caused by the rise in interest rates from the levels of 1976-9 when the borrowings were made.

The continuing American budget deficit, which holds out the prospect of enduring high interest rates, is therefore critical. Getting over the debt hump will require a helping hand from Washington, not merely exhortations to more sacrifice and greater prudence.

Sales 1976-85



Pre-tax profit 1976-85



CONTINUING GROWTH FOR UNITECH

Report on 1984-85

Sales in the year ended 1st June 1985 exceeded £200 million for the first time.

Profit before tax increased by 15% to £15.0 million.

Dividend A total dividend of 5.635p per share is recommended, an increase of 15%.

Our prospects

Orders and sales for the first two months of the current year are ahead of last year. However, although the electronics industry has strong growth characteristics in the long term, it is subject to significant cyclical movement, and currently the supply of electronic components is in surplus. Compared with the rapid expansion in the last two years we would expect at best only moderate growth this year. To date the cycle has largely followed the pattern of previous cycles and the Group is now well placed to participate fully in the expansion phase when it returns.

Peter Curry, Chairman

If you would like a copy of the Annual Report please write to the Secretary, Unitech plc, Phoenix House, Station Hill, Reading RG1 1NP.

UNITECH
plc

A group of companies principally engaged in manufacturing and marketing electronic components and equipment.

"Substantial profit growth in first half of 1985"

The results demonstrate both the growth of the Group and the value of the acquisition programme over the last few years.

The Company continues to make encouraging progress and to seek new opportunities for further growth.

Unaudited 1985 Interim Figures

	June 30 '85	June 30 '84
Pre-tax profit	£10.05m	£5.27m
Extraordinary profit	£6.05m	£4.19m
Earnings per share (excluding extraordinary profits)	4.30p	2.30p
Interim Dividend	1.20p	1.10p
Funds under management worldwide	£4,800m	£3,900m

UK Investment Management

Offering investors the widest range of unit trusts of any UK group, this division also manages pension funds and other portfolios. Profits improved significantly in the half-year and we continue to expand our product range in the UK and overseas.

International Investment Management

Funds managed by Gardner & Pieson Moss, reached US\$3 billion compared with US\$1.7 billion managed in 1983 when the company was acquired. The benefits from reorganising Financial Programs are now clearly seen. Profits of this division again increased significantly.

Merchant Banking

Singer & Friedlander including its property interests, continued to progress and made an excellent contribution of £3.2m to the Group's profit. This compares with £1.5m for the first half-year of 1984, when only two months' profit was included.

Insurance

Our new offshore subsidiary, NEL Britannia International Assurance was launched in January this year, and sales exceeded our expectations. Later in the year we will be launching in the UK, NEL Britannia Assurance with a range of innovative new products.

Britannia Arrow Holdings PLC - international financial services

For further information please write to The Secretary Britannia Arrow Holdings PLC, 80 Coleman Street, London EC2R 5AD.

APPOINTMENTS

Powell Duffryn: Mr R D C Hubbard takes over as chairman and Mr W G Andrews as chief executive from December 31. Mr M A Wilkinson has been made chairman of the group's shipping activities in succession to Mr J R Carr who has resigned. Mr J A Mills, a non-executive director is to join the board of Hamworthy Engineering and will succeed Mr Andrews as chairman. Mr J H Pascoe will succeed Mr Andrews as chairman of the group's bulk liquid storage activities while remaining chairman of fuel distribution. From January 1 Mr A E Darling will be group financial controller and on April 1 Mr P W Shuttlesworth will be appointed secretary.

Rolls-Royce: Mr A D Jackson has been made director of international affairs.

International Leisure Group: Mr H Parry joins the board and becomes group financial director, succeeding Mr P Woodward who, as deputy chairman, will continue his role of developing the group, monitoring overall financial performance and controlling all treasury matters. Mr R Smart becomes executive director of corporate planning and development.

Base Lending Rates

ABN Bank	11 1/2%
Adam & Company	11 1/2%
Barclays	11 1/2%
BCCI	11 1/2%
Citibank Savings	11 1/2%
Consolidated City	11 1/2%
Continental Trust	11 1/2%
Co-operative Bank	11 1/2%
C. Hoare & Co	11 1/2%
Lloyds Bank	11 1/2%
Nat Westminister	11 1/2%
TSB	11 1/2%
Williams & Glyn's	11 1/2%
Citibank NA	11 1/2%

† Mortgage Base Rate

COMPANY NEWS

YULE CATTO: An interim dividend of 2.5p (2.25p) payable on October 18, has been announced for the six months to June 30. With share price of 1.10p, the dividend is 2.25p (2.00p). Pretax profit 4.885 (6.226). Savings per share were 11 (11.9p) and net assets per share were 232p (216p).

LADLAW GROUP: An interim dividend of 1.1p (same) has been declared for the six months to June 30. The directors hope to recommend a final dividend of at least as high as the 1.4p per share of last year. With figures in £000, turnover was 39,490 (40,593). Pretax profit was 394 (386) and earnings per share were 2.8p (4.5p).

PENTOS: For the half-year to June 30, with figures in £000, turnover slipped to 21,810 (22,610), but pretax profit jumped from 126 to 441. With earnings per share up from 0.28p to 0.91p, an interim dividend of 0.175p is being paid. For 1984, a single dividend of 0.35p was paid.

A.T.A. SELECTION: For the first half-year, with figures in £000, turnover was 1,311 (1,098). Pretax profit reached 276 (256), while earnings per share were 1.75p (1.38p).

OWEN OWEN: For the half-year to July 27, with figures in £000, turnover rose to 40,027 (37,427), while there was a pretax loss of 147 (loss 798). The loss per share was 2.12p (loss 9.01p). The interim dividend is 1.25p (1p).

ABERDEEN AMERICAN PETROLEUM: For the half-year to June 30, with figures in £000, Oil and gas sales were 441 (303). The pretax loss was 556 (loss 407).

DELANEY GROUP: An estimated dividend of 0.8p (same), payable on November 22, has been announced. Results for the six months to June 30, with figures in £000, show turnover up to 3,678 (3,382), operating profit to 390 (308), pretax profit to 263 (238). Earnings per share were 1.6p (1.73p).

JACKSONS BOURNE END: Jacksons expects to complete its move to a new factory at High Wycombe, Buckinghamshire, by the end of next month. The company hopes to achieve a significant increase in sales of expanded polystyrene products. The interim statement for the half year to September 30 will be issued in December.

BEMROSE CORPORATION: For the six months to June 29, an interim dividend of 1p (4.4p) is

being paid. With figures in £000, turnover was 30,404 (23,826). There was a pretax loss of 728 (profit of 261) after interest of £27 (321). Earnings per share rose to 7.57p (0.32p). The company expects to return to profitable trading in the second half.

STEELE BURRELL JONES GROUP: Results for the first half of this year, with figures in £000, show turnover up to 3,225 (2,089) and pretax profit to 1,544 (884). The interim dividend is going up from 1.5p to 1.8p. Earnings per share were 9.9p (5p) and there is a proposed scrip issue of one-for-one.

COOPER INDUSTRIES: An interim dividend of 4 pence is being paid on January 6. For the half-year to July 31, with figures in £000, turnover rose to 13,844 (10,375). Pretax profit climbed to 473 (313). Earnings per share were 1.2p (0.7p). The board expects the full year's results to show further progress.

A. CAIRD AND SONS: Cardiff Property has acquired 630,000 on A. CaIRD (13 pence) for £251,913, in cash. These shares have been acquired as a trade investment.

LOWE HOWARD-SPINK CAMPBELL-EWALD: For the first half of this year, with figures in £000, turnover was 23,954 (24,566), while pretax profit was 1,404 (1,214). Earnings per share rose to 7.25p (5.8p). An interim dividend of 2p is being paid, compared with a single dividend of 2.6p last time.

SPONG HOLDINGS: Spong is reporting for the first four months of 1985, compared with the first six months of 1984. With figures in £000, sales were 783 (1,788). The pretax loss was 78 (profit 71.5). No interim is being paid, compared with a single payment of 0.1p last time.

PROMOTION HOUSE: A & M Hire has agreed to buy 3.6 million ordinary shares (14.4 per cent of Promotions' capital) at 27p each from London Securities for £990,000. Promotions and A & M have also started merger talks.

SAXON OIL: Saxon is to buy Escott Petroleum, a subsidiary of Seagull Petroleum, which is ultimately owned by Denison Mines of Canada. Saxon is to pay about £57,500 in cash for Escott and discharge amounts owing to its parent company. The transaction will be adjusted to reflect the balance sheet cash position at completion.

Scots confident of advancing en masse into next round

The five Scottish clubs who are Britain's main standard bearers in Europe this season have every reason to be pleased with their position after the first round, first leg matches.

In the European Cup, Aberdeen returned from Iceland with a 3-1 lead over Akranes, after going behind to a first-half penalty. Black, Hewitt and Stark emphasized their superiority in the second half. Their manager, Alex Ferguson, said: "I could not believe it when we were down at half-time and thought it was going to be one of those nights. But Black and Hewitt were magnificent and I am happy with our result."

Celtic were also pleased to return from Spain with a 1-1 draw against Atletico Madrid in the Cup Winners' Cup, Johnston getting their goal and Bonner saving a second-half penalty. The second leg will be behind closed doors in Glasgow. Celtic's manager, David Hay, said: "I am proud of my players for this was a superb performance. Bonner's penalty save was marvellous and what happens now is up to us."

Rangers' 1-0 win over the Spaniards of Osasuna at Ibrox in the UEFA Cup was achieved in near farcical conditions, brought about by non-stop torrential rain. The Rangers manager, Jock Wallace, said: "I would have been surprised if we would be difficult opponents but I reckon we will be the winners over the two legs. The conditions upset us more than them for they like to play the long ball while we go in for short passing and that was not the game on a pitch where the surface water stopped the ball travelling."

Dundee United's 5-2 win over

Bohemians in Dublin leaves the second leg at Tannadice almost a formality. Sturrock, with three and Bannan, with two, scored the United goals. The Bohemians manager, Billy Young, said: "Dundee United were far too sharp for us and were a far better side than Glasgow Rangers, who we met last year in the same competition. They lived up to their reputation and to the information I had received about them. It was Bohemians' heaviest defeat in Europe."

St Mirren, after their 1-0 defeat on Tuesday by Slavia Prague, are confident. Their manager, Alec Miller, said: "The result suits us for we know we can make more clear-cut chances at home than they did in Prague."

The Irish clubs, Linfield and Shamrock Rovers, were less fortunate in the European Cup. Linfield, despite scoring after 24 seconds through Anderson in the home leg with Sorrette, of Switzerland, could only draw 2-2 with a last minute goal from McKeown. Rovers went down 2-0 to the Hungarian champions, Honved, in Budapest but did well to keep the score down.

The non-League Welsh club, Bangor City, drew 1-1 away with the Norwegians, Fredrikstad, in the Cup Winners' Cup and were unlucky not to win after scoring through Williams in the 60th minute. Deunk scored for the home side three minutes from the end.

The holders, Real Madrid, laboured to a 1-0 defeat in the UEFA Cup against Aek in Athens. The Spanish League leaders were forced to defend for long periods after conceding a goal after only 10 minutes.

Two goals by Clos gave Barcelona a 2-1 win away to Slavia Prague, in their first game in the European Cup for 10 years.

The night's most unexpected casualties were the French champions, Bordeaux. Last season's European Cup semi-finalists succumbed 3-2 in front of their own supporters to Fenerbahce, of Turkey.

Non-League Football by Paul Newman

Peter Morris could hardly have experienced a more difficult start to his career as manager of Nuneaton Borough. Not only has the former Peterborough United and Mansfield Town manager had to cope with the loss of Graham Carr, who enjoyed considerable success with the Warwickshire club, but he also had to rebuild the team after the transfer of five leading players.

At the end of last season, Nuneaton finished runners-up in the Gola League for the second year in succession. Culpin was the league's leading scorer, also for the second successive season, and the team had gone more than 18 months without a home league defeat.

However, the departure of Carr, who left in April to become manager of Northampton Town, proved to be the first of a series of set-backs. Two players, Hill and Morley, soon followed him to Northampton, and Culpin signed for Coventry City, Glover, an England semi-pro-

STUART JONES, Football Correspondent of The Times, interviews Sir Norman Chester, CBE, MA, who has twice led investigations into the state of English football. Club chairman ignored or rejected the recommendations contained in the reports, and Sir Norman believes that the sport suffers to this day as a result.

Sir Norman Chester, CBE, MA, was puzzled. "What is this Full Members' Cup? Like that Freight Train thing but for the bigger clubs, is it? How absurd. He, more than anyone, had a right to be astonished by the introduction of another knock-out competition which started this week amid such deeply embarrassing confusion.

Twice he was invited, first by the Government and then 15 years later by the Football League, to lead an investigation into the game. On both occasions, in 1968 and in 1983, he and his assistants suggested that the top two divisions be cut. In effect, their findings would have been reduced to nothing, instead they are being increased.

The Full Members' Cup stands as another signpost on the road to the edious world of greed. "It just shows where the League is going," Sir Norman said as he sat in his Oxford home. He himself craves in a different direction. An academic and a former warden of Nuffield College, he has spent a lifetime following the path of logic.

He was not surprised, therefore, when the club chairman, blindly committed to an endless search for more money, rejected the recommendations contained in his reports. Yet he was appalled by the shameful behaviour of the League management committee. "While I was compiling my first one, they never even asked to see me."

After the second had been published, the committee invited him to lunch in London to make a presentation in recognition of his length and unpaid work. "I told them that I did not want that sort of thing but I would rather spend the time discussing the report. This seemed to me to be a reasonable request."

"The response was a masterpiece of avoidance. They said their agenda was so long, they couldn't spare the time. Well, persisted, and eventually they caved in. But it wasn't a real discussion. They made no attempt to talk about the problems properly. And this was the management committee of the world's most important football league."

He paused momentarily to await a reaction. "It doesn't surprise you, does it?" He is convinced that his second inquiry was damaged by equally disconcerting conduct. "It was torpedoed from the start and subsequently leaked. The League president, Jack Dunnett, was never at home in the first division and I

thought he wanted to show the big boys that he was on their side."

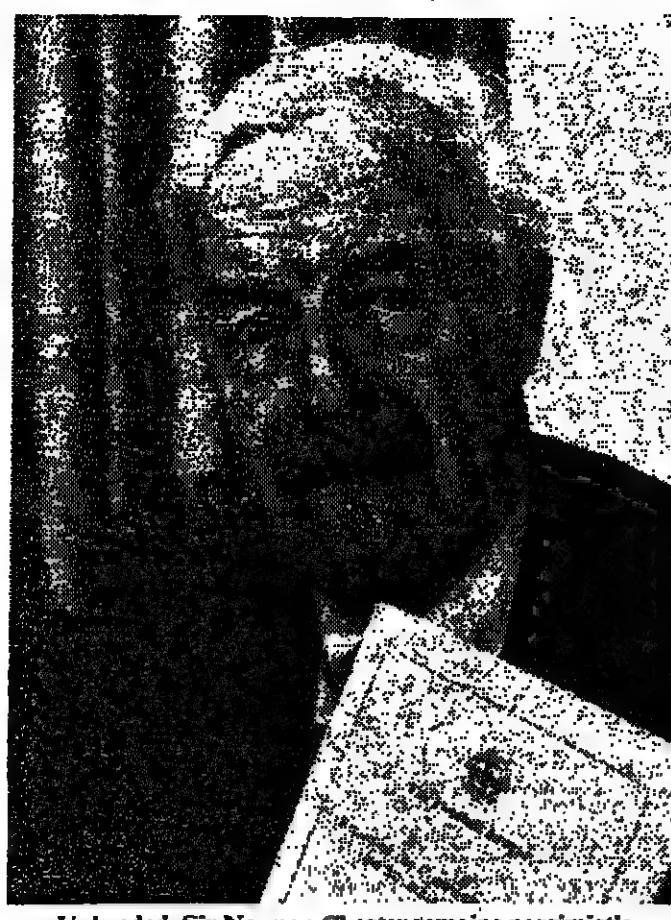
To be fair, Dunnett doesn't believe in cutting the top two divisions, especially now that his club, Notts County, are in the third. He said recently that the League would shrink anyway because clubs will go to the wall. But it is very hard to believe that. Like the reformation of Fleet Street, it is talked about but never happens.

"Not only is it quite absurd to create more fixtures, it is also self-destructive. There is now a big game in and around London almost every night. People will pick and choose more because they can't afford to go to every one. It is complete nonsense to suggest that you double the gates if you double the games."

"Some say that more money from the pools should be put into the game but I don't believe that. It would just be frittered away. I met some third and fourth division club chairmen recently and asked them what they would do with the money if they had it. They would have it in five years. All of them replied that they would be back in debt."

There is a distinction between football and other sports. The latter cannot hope to maintain the top level of players, grounds and so on. They are in a catch-up area that is too small. What we need is a League that doesn't have this great disparity but a solid core. They only look on decent standards.

The League can't lay down standards held even by the Gola



Unheeded: Sir Norman Chester remains pessimistic

think he wanted to show the big boys that he was on their side."

League has no prime minister, no cabinet and no policy'

Sir Norman is understandably pessimistic about the future. "The League has no prime minister, no cabinet and no policy. I don't see where change or even a sense of urgency is going to come from. The management committee hasn't had a leader for... for a long time."

"And nothing is more frustrating than a meeting of League chairmen. Those who are responsible are not good orators. People like Eric Clay, of Fulham, Ken Bates, of Chelsea, and Ron Noades, of Crystal Palace, just one of the proposers of the Full Members' Cup, they are prima donnas but they can carry an audience with them."

Match postponed

Preston North End's fourth division match at Swindon Town tomorrow has been postponed because the Lancashire club have been hit by a stomach bug.

Northampton, and Armstrong, formerly with Huddersfield Town and Port Vale.

However, Morris refuses to blame the poor start on the sweeping changes he has had to make. "We've brought pressure on ourselves, particularly at home," he said. "We've defended terribly, and we've conceded three penalties and low goals. I'm very confident about our future, but we must buckle down to the task quickly."

Nuneaton face another difficult test tomorrow when they entertain Westlodge, the champions, but Morris volunteers that if they can turn the corner by beating them, "I'm sure the crowds will be coming back," he said.

Mercedes 230E

1982 X 1.9, 1600 cc, 115 bhp, 1700 cc, 1300 cc, 1600 cc, 1900 cc, 2300 cc, 2600 cc, 2800 cc, 3000 cc, 3500 cc, 4000 cc, 4500 cc, 5000 cc, 5500 cc, 6000 cc, 6500 cc, 7000 cc, 7500 cc, 8000 cc, 8500 cc, 9000 cc, 9500 cc, 10000 cc, 10500 cc, 11000 cc, 11500 cc, 12000 cc, 12500 cc, 13000 cc, 13500 cc, 14000 cc, 14500 cc, 15000 cc, 15500 cc, 16000 cc, 16500 cc, 17000 cc, 17500 cc, 18000 cc, 18500 cc, 19000 cc, 19500 cc, 20000 cc, 20500 cc, 21000 cc, 21500 cc, 22000 cc, 22500 cc, 23000 cc, 23500 cc, 24000 cc, 24500 cc, 25000 cc, 25500 cc, 26000 cc, 26500 cc, 27000 cc, 27500 cc, 28000 cc, 28500 cc, 29000 cc, 29500 cc, 30000 cc, 30500 cc, 31000 cc, 31500 cc, 32000 cc, 32500 cc, 33000 cc, 33500 cc, 34000 cc, 34500 cc, 35000 cc, 35500 cc, 36000 cc, 36500 cc, 37000 cc, 37500 cc, 38000 cc, 38500 cc, 39000 cc, 39500 cc, 40000 cc, 40500 cc, 41000 cc, 41500 cc, 42000 cc, 42500 cc, 43000 cc, 43500 cc, 44000 cc, 44500 cc, 45000 cc, 45500 cc, 46000 cc, 46500 cc, 47000 cc, 47500 cc, 48000 cc, 48500 cc, 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CHOICE

Radio 2

News on the hour (except 8.00pm and 9.00). Headlines 5.30am, 6.30, 7.30 and 8.30.
4.00am Colin Brown, 6.00 Marjorie Kellett, 8.15am Betty, 10.10-10.30pm

Peter Davalle

[illegible]

ENVIRONMENTAL MOVEMENTS

C 741 BARBICAN ART GALLERY, 100
28 B.O. Centre, EC2 01-638 4141.
O. Nov: GWEN JOHN plus R
PANY O'CONOR, also small d

[illegible]

Mat's Wed 2.30.
DAVID
"A NATURAL
A LOT TO SEE"

THE BURLINGTON HOUSE
The Towns
11am-7pm
Pleasantry W1. Open until 22
Daily 11am-7pm. Admiss
including Handbag.

CINEMAS

ACADEMY 1. 437 7981
KIT IN THE ASSAULT GARDEN
Prog. 2.45 (not Stam) 4.45
9.00.

ACADEMY 2. 437 5129
THE UNDISCOVERED COUNTRY
Prog. 1.15, 3.15, 5.00, 4.45
6.35, 8.25, 10.15, 12.00.

ACADEMY 3. 437 8811
THE UNDISCOVERED COUNTRY
Prog. 5.00, 6.50, 8.40.

AMERICAN CINEMA 01.42

VAUDEVILLE 01-8
HALF-PRICE

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London'

499 3737. James Mason
Fox in **THE SHOOTING**
(16). Film at 2.00 mat 5.00
6.20 & 8.40. **LAST WEEK.**

DOMINION TOTT. CRT. R.
9562) **THE WOMAN IN**
Cont. prog. Daily 2.20. 6.5
Plus **WATER** (16) Cont. prog.
3.45. 7.00.

also on page 3

Pretoria to pull back from Angola

From Michael Hornsby
Johannesburg

South African troops which crossed into southern Angola from South African-occupied Namibia on Monday have been ordered to withdraw "in phases" to their home base by the weekend.

The withdrawal announcement, made last night by General Constand Viljoen, Chief of the South African Defence Forces, came in the wake of strong American and European criticism of the Angolan operation.

It was not clear, however, whether the adverse foreign reaction had speeded up the withdrawal. Military commanders said when the operation started that they expected it to last about a week.

General Viljoen claimed that the incursion had disrupted "logistics lines" of Swapo (South-West African People's Organisation) guerrillas fighting the independence of Namibia from bases in southern Angola, and "destroyed large amounts of weapons and ammunition."

There had been no casualties among the South African forces he said. Two Swapo guerrillas had been shot dead in skirmishes.

Military spokesmen here brushed aside claims by Angola that the real purpose of the operation was to aid Angolan insurgents of Dr Jonas Savimbi's Unita movement in a battle with Angolan Government and allied Cuban forces.

Western protest: The United States, Britain and its EEC partners yesterday strongly denounced the latest South African raid into Angola (Nicholas Ashford writes).

In London, the Foreign Office issued a statement strongly condemning the attack and calling for an immediate withdrawal of South African forces from Angola. The statement said such actions undermined the stability of the region and damaged international efforts to achieve a settlement in Namibia.

In Washington, the State Department rejected South Africa's assertion that it has the right to intervene in Angola in order to defend its presence in Namibia.

Abbey's £10m battle with pollution

By Tony Samstag

Almost all of Westminster Abbey is to be refaced with new stone because of air pollution damage. The work is not expected to be finished until the early 1990s at a cost of more than £10 million.

The work, which began in 1973, is "the biggest job of restoration since Sir Christopher Wren", according to Mr Peter Foster, the surveyor in charge of the project.

At the end of last year, 53,535 cubic feet - almost 4,000 tonnes - of new stone had been fitted, with more than 20 stonemasons at one stage employed full time.

Sulphur dioxide pollution, which in recent years has become associated with "acid rain", is almost certainly to blame for the erosion. But it is far from a new problem.

Mr Foster said this week: "When myself was very conscious of how the emissions from burning 'sea-coals', as coal was known then, affected the stone. It has always been important to recognize stones that would withstand pollution."

Worst affected is the Chilmark stone used by George Gilbert Scott in restoration work carried out on the abbey about 100 years ago. His replacement Portland stone, is much more resistant.

Acid pollution in its various forms - as rain, solid particles, vapour, mist or snow - attacks most types of limestone, dissolving, eroding and often causing a peeling effect known as "scaling".

The refacing project has been financed mainly through corporate donations, by the Westminster Abbey Trust, of which the Duke of Edinburgh is chairman. It has received little publicity because "I like to do my own thing quietly", Mr Foster said.

His protection was against the effects of sulphur dioxide pollution has made him something of an authority on acid rain, and he describes himself as "very suspicious of it".

Noting that sulphur dioxide can be produced by natural occurrences such as rotting vegetation and volcanoes, he feels more research is necessary before extra money can be spent on cleaning up emissions from power stations.

"It's a little bit like a doctor giving you medicine before he knows what's wrong with you. I no longer give the campaign my blessing. I feel it's all becoming rather absurd," he said.



Pinnacles of new Portland stone on the south nave of Westminster Abbey, replacing old Chilmark and Bath stone damaged by sulphur dioxide. (Photograph: Ros Drinkwater).

Reselection rule change for Steel

Continued from page 1

The leadership, undoubtedly irritated by the unexpected hiccup, failed to point out that a leader could still seek a vote of confidence after a successful election campaign - when a challenge would be unlikely.

There are fears of a leadership defeat today over policy towards Ireland, and of a setback for the efforts of Liberals and Social Democrats to present an agreed programme to voters (Julian Haviland writes).

The assembly is to be asked to endorse a joint report.

There was caution about the findings of a Gallup poll in yesterday's *Daily Telegraph*.

The figures were: Conservative 29 per cent, Labour 29 per cent, Alliance 29 per cent, others 13 per cent. (Continued from page 1).

Photograph, conference reports, page 4

Missionary's fears for US hostages

Continued from page 1

The kidnapped foreigners still held in Lebanon:

● William Buckley, aged 57, US Embassy political officer kidnapped March 16, 1984.

● Peter Kilbride, aged 60, American librarian at the American University in Beirut, reported missing December 3, 1984.

● The Rev Lawrence Jenko, aged 50, American Roman Catholic priest, kidnapped January 8, 1985.

● Terry Anderson, aged 37, American chief Middle East correspondent of the Associated Press, kidnapped March 16, 1985.

● Marcel Fataine, aged 45, French Embassy vice-consul, kidnapped March 22, 1985.

● Marcel Caron, aged 62, French Embassy protocol officer, reported missing March 22, 1985.

● Michel Serrut, French researcher for the Centre for Studies and Research of the contemporary Middle East, reported missing May 22, 1985.

● Jean-Paul Karam, aged 42, French journalist for *L'Evenement du Jeudi*, reported missing May 22, 1985.

● Alec Collett, aged 63, British freelance writer working with United Nations Relief and Works Agency, kidnapped March 25, 1985.

● David Jacobs, aged 56, American director of the American University Hospital, kidnapped May 28, 1985.

● Tom Sutherland, aged 53, Dean of the American University, kidnapped June 9, 1985.

Letter from Moscow Taste of crisis for besieged Britons

"We had a taste this week of what it might be like to be beleaguered in Moscow at a time of deep international tension."

The British community here is not large - about 100 diplomats, support staff, businessmen and journalists (before the expulsions) and their families - and at the best of times an odd combination of the hostile and the hospitable.

"You are in the enemy camp," one Russian remarked sympathetically as the tit-for-tat crisis mounted.

The British residents, secretly rather relishing the "pull together" atmosphere of crisis and adversity, huddled round the BBC World Service or phoned Reuters for news.

"Am I on the list?" became the anxious and all-consuming question, and all conversation sooner or later came back to the hit lists the Soviet authorities were drawing up in response to British expulsions of Russians from London.

There were plenty of jokes ("Will the last one out please turn off the lights," quipped a senior British diplomat), but ultimately people's lives and careers were at stake. It was not really funny at all, and both the chosen and the deprived placed phone calls home, with the usual Moscow delays.

Afterwards, both categories looked for patterns in the Kremlin lists - first "the twenty-five", and then "the six". Why this second secretary not another in the same section of the embassy? Why *The Daily Telegraph* and *Reuters*, but not *The Times* or *Financial Times*?

There was sympathy especially for those who had only just arrived, and whose hard-won Russian language skills and knowledge of Soviet affairs were about to go to waste. As Sir Bryan Cartledge, the British Ambassador, observed, it would take some time to replace trained personnel, both at the embassy and in the community as a whole.

As he also observed, six of those on the Kremlin lists have wives who also work at the embassy or in the surgery and the library, so the Russians in several cases got

"two for the price of one". About the only people to benefit from the episode were the West German firms who specialize in East-West household removals.

For a change, those of us who normally report the news and analyse it were in the spotlight - literally so, as Western television cameras (but not Soviet ones) recorded arrivals and departures at the embassy.

Repeatedly Sir Bryan swept off in his grey Rolls Royce to the Stalin gothic Foreign Ministry 10 minutes' drive away, and returned grim-faced to brief British journalists, some of whom - such as Robin Gwyne and Mark Frankland of *The Observer* - ended up reporting their own tit-for-tat expulsion.

It is an unfortunate beginning for Sir Bryan, who arrived only in July. He is determined to rebuild Anglo-Soviet relations. This is the task of those of us who remain here in Moscow.

The Russians were uncompromisingly tough in their responses, and there is little doubt that Mr Mikhail Gorbachev was showing the "iron teeth" behind his affable smile.

But they threw out only two businessmen, and the Scottish trade mission which coincidentally flew into the Anglo-Soviet storm last Sunday was received as if hostilities had not broken out.

Apart from the embassy's political, cultural and consular sections, it is the Moscow journalist community which is worst hit. Reuters have lodged applications for replacements for the expelled correspondents.

One of the most counterproductive moves was the expulsion of Tim Sebastian, who as the first resident correspondent for BBC television had been able to give British viewers an insight into life inside Russia in pictures as well as words. The fact that Soviet officials say they regret having to pick on him and the five other journalists is small comfort.

In the end - as the officials themselves note - it is mutual understanding which suffers.

Richard Owen

THE TIMES INFORMATION SERVICE

Today's events

Royal engagements

Princess Anne, President, the Save the Children Fund, attends the Diana Ross concert, Albert Hall, 7.35.

The Duke of Gloucester attends the Friends of the Earth Trust's Celebration of the British Countryside at Luton Hoo, Beds, 7.40.

The Duke of Kent, as President, the Royal National Lifeboat Institution, visits lifeboat stations at Skegness, 10.35 and Spurn Point, 11.40; later he opens Cavern Storage for the Calor Group at Humberstone, 12.30.

The Duchess of Kent, as Patron, attends The Samaritans' annual conference, York University, 11.15.

Princess Alexandra attends a

banquet at Guildhall, City of London, given by the Verous Forum, of the Royal Society of Medicine for the delegates attending the First United Kingdom meeting of the 'Union Internationale de Philologie', 7.45.

Exhibitions in progress

French paintings, sculpture, prints and drawings 1500-1900; National Gallery of Scotland, The Mount, Princes St, Edinburgh, Mon to Sat 10 to 5, Sun 2 to 5 (ends Sept 22).

Our First Hundred Years: Tumbidge Wells Museum centenary celebration; The First Museum; Tumbidge Wells Municipal Museum and Art Gallery, Civic Centre, Mount Pleasant, Mon to Fri 10 to 5.30, Sat 9.30 to 5 (ends Sept 28).

Under the Heavens: new work on canvas and paper by Christopher Thomas; Walsall Museum and Art

Gallery, Central Library, Lichfield St, Mon to Fri 10 to 5, Sat 10 to 4.45 (ends Sept 23).

Paintings, colour photographs and mixed media by Andrew Ryder; Usher Gallery, Lincum Rd, Lincoln, Mon to Sat 10 to 5.30, Sun 2.30 to 5 (ends Sept 22).

Music

Organ recital; Liverpool Anglican Cathedral, 12.

Violin and cello recital by students who have been studying with Mark Lubovsky and Pierre Fourrier; Recital Room, Britten-Pears School, Snape Maltings, Suffolk, 6.30.

Chamber music concert by the International Musicians Seminar of Prussia; Cover, Methodist Chapel, Chapel St, Pezwater, 7.30.

Harp recital by Vanessa McKend; St Barnabas' Church, Lisleade, Bucks, 7.45.

Tenth year celebrations: Opening concert with Nigel Kennedy (violin), Stephen Isserlis (cello) and Roger Vignoles (piano); Great Hall, Farnham Maltings, 7.30.

Ashever Festival: Handel birthday concert with the Royal Academy of Music Festival Orchestra; Parish Church of All Saints, Ashever, Chesterfield, 7.30.

General

Upton Hall Exhibition - clocks, watches, horological tools and materials, horological books and journals; Upton Hall, Newark, Notts, 10 to 5.30 daily (ends Sun).

Book Fair: Assembly Rooms, York, 2 to 8, tomorrow 10 to 5.

Trinity Festival: Exhibition of flowers and history, 10 to 5, Trinity Past and Present: a review of Trinity Parish through music, words, drama and dance, 7.30; Holy Trinity Church, Tauxton.

21st Lawrence Centenary Festival: Poetry and prose readings by Glyn Hughes, Beeston Library, Notts, 7.30; Book Fair: Rainbow Room, Heathcote St, Nottingham, 11 to 5, tomorrow 10 to 5.

Pageant of Flowers, Buryleigh House, Stamford, Lincs, 11 to 5 daily (ends Sun).

City of Belfast Flower Show; Mayfield Leisure Centre, Belfast, 2 to 5.30, tomorrow 10 to 5, Sun 1.30 to 5.

Food prices - lamb prices down

Home produced lamb prices have dropped quite sharply this week, but about 3p-4p a pound on many cuts. Whole leg ranges from £1.39-£1.75 a lb, whole shoulder 79p-£1.10 and loin chops £1.50-£2.06. Dewhurst and Easton are selling whole legs and whole shoulders at £1.39 and 79p a lb respectively. Other good meat buys are Tesco lamb chops £1.58 a lb and boneless rolled shoulder of pork £1.04; Belfair New Zealand lamb leg £1.19 a lb and sirloin steak £2.29; down 40p a lb. Salford whole leg of New Zealand lamb £1 off shopping bill, and half 50p off. Sainsbury's beef topside and ham £1.75 a lb, pork leg joint 98p and fresh whole chickens 59p a lb. Fine Fare frying steak £2.28; Marks and Spencer home-produced pork leg joint £1.69 and shoulder £1.39 a lb.

Fishermen have had a good week, and there should be an excellent selection of good quality fish in most areas, particularly plaice, dab and lemon sole. Monkfish, of which only the tails are sold, is a best buy at £1.90-£2.60 a lb. Lemon sole fillets £1.50-£2.20 a lb, excellent mackerel 45p-60p and haddock fillets £1.60-£1.80 are all cheaper than last week. Plaice fillets £1.80-£2.10 a lb, white plaice 60p-90p and cod fillets 88p-£1 are other good buys. Lobster 54p-£6 a lb, and dressed crab £1.10-£2 are scarce, but mussels 36p a lb and oysters 35p-48p each should be plentiful.

Bananas 38p-45p a lb are not only Britain's second favourite fruit after apples, but are also very nutritious. They should be eaten ripe, dark yellow and slightly spotted, as the unripe fruit is high in starch. There are many varieties of plums with English Marjorie Seedlings 40p-50p a lb probably the best buy. The first English Coxes are in the shops at 40p-45p a lb and russets 30p-40p are also available. Grassy Smiths from the Cape, New Zealand, Spain and France are 30p-45p a lb and Golden Delicious 20p-30p. Best pears are French, Spanish and Italian Williams, 25p-35p a lb. Peaches and nectarines are a little dearer as they are mostly large sizes. Spanish honeycreeper 40p-80p each are excellent value, and there is a good choice of grapes from 35p a lb.

Best vegetable buys are cauliflower 25p-35p each and runner beans 25p-35p a lb, cabbages 10p-16p a lb. Primo cabbage 12p-18p a lb and English and Jersey courgettes 40p-60p a lb. New season Brussels sprouts are good quality at 25p-32p a lb.

Green peppers 50p-70p a lb, and a good selection of salad ingredients, including lettuce 25p-40p a head, cucumbers 18p-40p each, cress 10p-14p a carton, spring onions 18p-25p a lb and tomatoes 28p-40p a lb.

Weather forecast

A weak ridge of high pressure over S districts at first will collapse as a vigorous depression moves into Ireland from the SW.

6 am to midnight

London, SE, central S, SW England, Channel Islands, S. Wales: Rather cloudy, occasional rain or drizzle; wind S or SE light; max temp 18C (64F).

East Angles, Kent, central N England: Bright start but misty in places, becoming cloudy with outbreaks of rain; wind S or SE light to max temp 18C (64F).

N. Wales, W. England: Mainly cloudy, outbreaks of rain; wind S or SE light; max temp 18C (64F).

Edinburgh, Dundee, Aberdeen, Central Highlands, Moray Firth: Mainly dry, sunny intervals; light showers in the morning; wind SW moderate to fresh; max temp 18C (64F).

Glasgow, NE, NW Scotland, Argyll, Orkney, Shetland: Mainly dry, sunny intervals; light showers in the morning; wind SW moderate to fresh; max temp 18C (64F).

Sheffield: Sunny intervals; light showers in the morning; wind SW moderate to fresh; max temp 18C (64F).

For tomorrow and Sunday: Tomorrow most places will have rain at times, locally prolonged and heavy especially in the NW; after and evening weather will improve from NW to most places during Sunday.

Pensions leaflet

A leaflet explaining married women's entitlement to a pension in their own right, since the recent abolition of the "half test" rule (a rule affecting pensions for married women who reached the age of 60 before April 6, 1979), has been published by Age Concern. *Married Women's Pensions* is available from the Information and Policy Department, Age Concern, England, 60 Piccadilly Rd, Mitcham, Surrey CR4 3LL (enclose sse).

Anniversaries

Upton Sinclair, novelist, was born at Baltimore, Maryland, 1878.

Death: Jacob Grimm, philologist and collector of folk tales, Berlin, 1853; Jean Sibelius, Järvenpää, Finland, 1957.

Lighting-up time

London 7.34 pm to 8.15 pm
Edinburgh 7.45 pm to 8.25 pm
Manchester 7.55 pm to 8.35 pm
Penzance 7.55 pm to 8.35 pm

Yesterday

Temperatures at midday yesterday: C, cloud; L, light; N, rain; S, sun.

City	Temp	Cloud	Wind
Belfast	18	8	16
Birmingham	18	8	16
Blackpool	18	8	16
Bristol	18	8	16
Cardiff	18	8	16
Edinburgh	18	8	16
Glasgow	18	8	16

The pound

Country	Bank	Rate
Australia	Bank	1.64
Canada	Bank	1.64
Denmark	Bank	1.64
France	Bank	1.64
Germany	Bank	1.64
Italy	Bank	1.64
Japan	Bank	1.64
Netherlands	Bank	1.64
Sweden	Bank	1.64
Switzerland	Bank	1.64
USA	Bank	1.64

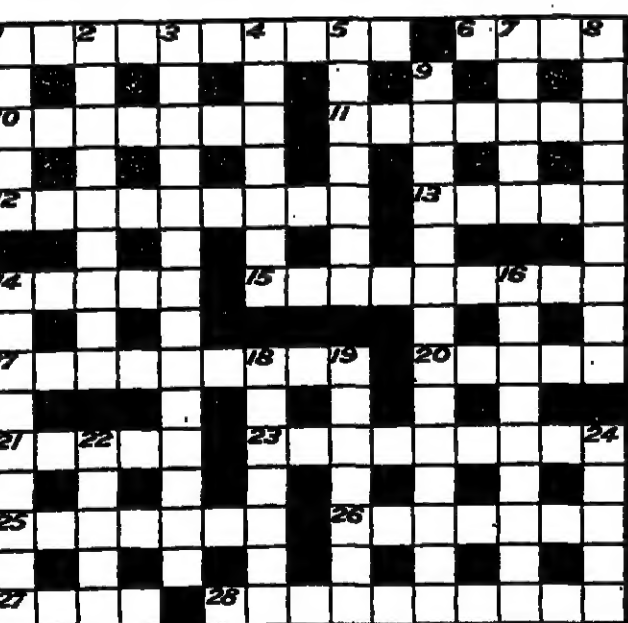
For most destinations bank rates only, as supplied by Barclays Bank PLC. Different rates apply to travellers' cheques and other foreign currency business.

Retail Price Index: 375.7.

London: The FT Index closed up 7.0 at 1007.8.

Information supplied by the AA.

The Times Crossword Puzzle No 16,847



ACROSS

- Make poor little devil the surplus on at what (10).
- One in a hundred thousand of the people (4).
- Encouraged sound understanding with daughter (7).
- Kind of stone to get water from? (7).
- A transformation to shock a bit (4-5).
- It's a gift to the French film star (5).
- Speaker left off the receiver (5).
- As far as possible, aloft in a boat (9).
- A Foreign Office sounding almost entirely disinterested (9).
- Fat for making cover round pastry, one might say (5).
- Part of Geneva without a Jewish area (5).
- One answer would be a U-turn in this segment (9).
- There are clearly two 'ts' in attire (7).
- The article is an eye-opener: make a note of it (7).
- Scotsman leaves the sage alone (4).
- S Americans entering as cooks (10).

DOWN

- The girl is hot and in a temper (5).
- Ate out (9).

Prize Crossword in The Times tomorrow

CONCISE CROSSWORD PAGE 12

Tower Bridge

Tower Bridge will be lifted today at approximately 1.15 pm, and then again at 4.20 pm, 7.15 pm, 8.05 pm, 11 pm and 11.30 pm.

Portfolio

Portfolio - how to play
Monday-Saturday record your daily Portfolio total.
If your total matches the published weekly dividend figure you have won outright or a share of the prize money shared for that week, and must claim your prize as announced below.

How to claim
Telephone The Times Portfolio claims Box 6254-3372 between 10.00 am and 3.30 pm, on the day your dividend total matches The Times Portfolio dividend. No claims can be accepted more than three hours after the dividend is published.

You must have your card with you when you telephone.
If you are unable to telephone someone else can claim on your behalf, but they must have your card and the Times Portfolio card with them. No responsibility can be accepted for failure to contact the claims office for any reason within the stated hours.

The above instructions are applicable to both daily and weekly dividend claims.
Some Times Portfolio cards include minor discrepancies in the instructions or the dividend. The winning of Rules 2 and 3 has been extended from earlier versions for clarification purposes. The Game itself is not affected and can still be played in exactly the same way as before.

JAVICO 1350